

Sustainability Report FY22



thrive



The stuff that matters

Safety. Wellbeing. Planet. Opportunity. Success.

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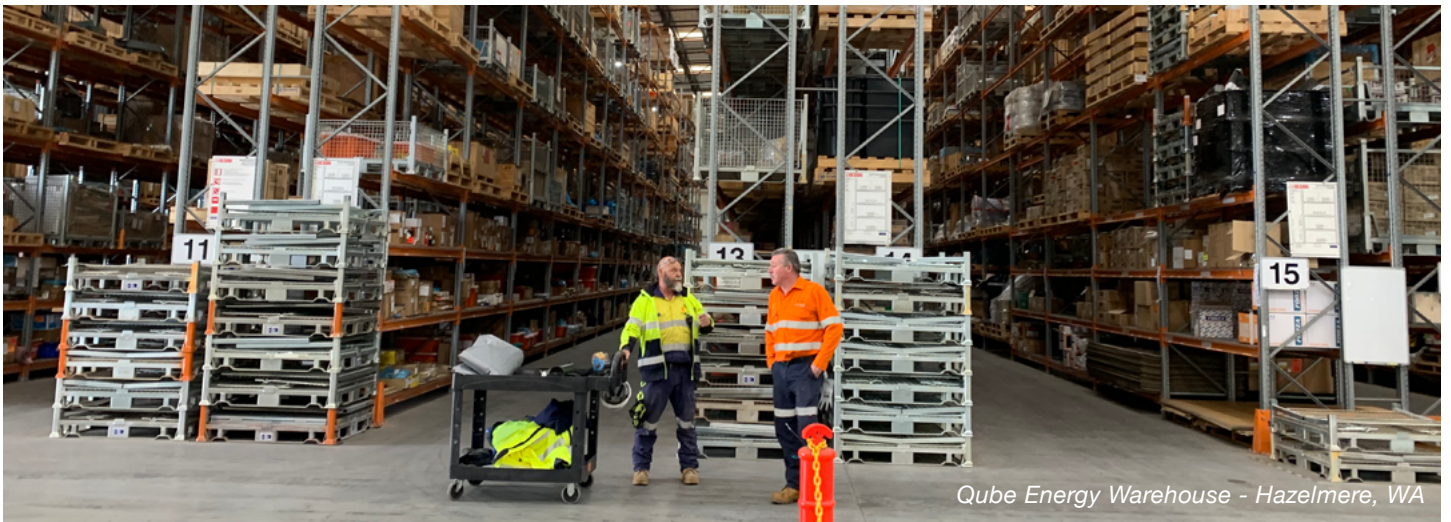
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Molly, Qube Bulk – Leonora, WA



Qube Forestry truck in Victoria



Qube Energy Warehouse - Hazelmere, WA



This report features images captured by Qube employees in their places of work as an initiative in the myQube employee communications app. The images represent the diverse operations of Qube across Australia, New Zealand and South East Asia and demonstrate the passion employees have for the businesses in which they are employed.

Photo contribution by Qube employee: Dayne McGlinn taken at Yakabindie, WA

About This Report

The FY22 Qube Sustainability Report provides an overview of Qube's sustainability approach and performance for the 12-month period from 1 July 2021 – 30 June 2022. It also provides a summary of the company's performance on material sustainability issues.

In endeavouring to show performance in FY22, the report contains data relating to FY21 and data reported under the National Greenhouse and Energy Report (NGER) scheme. Going forward, performance will be shown in FY23 consistently against the performance data in this report.

Scope

In this report, unless otherwise stated, references to "Qube", the "Qube Group" "our", "us" or "we", are references to Qube Holdings Limited and its controlled entities and excludes Qube's interest in Patrick. References to divisions, business units and businesses exclude Qube's interest in Patrick. Health and safety, sustainability and people performance data is reported on a total operated basis unless stated otherwise.

Our Annual Report

Our Annual Report FY22 provides a summary of Qube's operations, activities and financial position as at 30 June 2022, which should be read in conjunction with this Sustainability Report FY22 to give a full overview of Qube's business. Copies of the Annual Report FY22 are available on request or may be downloaded from our website.

Sustainability Benchmarking

The Qube FY22 Sustainability Report includes icons in the FY22 Material Topics section to show the alignment between our sustainability actions and the United Nations Sustainable Development Goals. In September 2015, the United Nations General Assembly adopted the 2030 Agenda for Sustainable Development, which includes 17 Sustainable Development Goals (SDGs). Building on the principle of 'leaving no one behind', the Agenda emphasises a holistic approach to achieving sustainable development for all.



Qube acknowledges the Traditional Custodians of the land on which we work, live and gather, and recognises their continuing connection to land, water and community. We pay respect to Elders past, present and emerging.

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Message from our Managing Director, Paul Digney



I am pleased to present our Qube Sustainability Report for FY22.

The Qube sustainability journey is focused on building a resilient and robust organisation that is committed to leading the logistics industry in innovation, technology and future-focused thinking. The long-term success of our business will be driven by our organisation's ability to identify, address and adapt to the requirements of today's world while ensuring we deliver on our commitments to customers, employees, and shareholders.

Throughout the ongoing global health crisis, Qube has adapted to new ways of working to ensure business continuity in our operations and the safety of our customers and employees. Our focus on safety and zero harm continues to be our top priority. The safety results for FY22 delivered a year-on-year reduction in our Total Recordable Injury Frequency Rate (TRIFR), a 17.7% reduction from FY21. Tragically, on 22 February 2022 there was a fatality of a Qube employee on a public road while the employee was travelling to a work site approximately 20km west of Penola, South Australia. The cause of this single light vehicle accident remains unknown.

During FY22, Qube launched a new health and wellbeing program called Thrive, which renewed our focus on employee wellbeing. Thrive considers the whole person and focuses on the importance of a holistic and balanced approach to wellbeing.

In FY23, the Thrive program will be applied across all aspects of the business, and will extensively express Qube's culture, purpose, strategy and values. The program will be delivered across 5 pillars: Safety, Wellbeing, Planet, Opportunity and Success. The program is designed to enhance our people, our partners, our communities, our customers and our shareholders to successfully thrive and develop with the Qube experience as Qube sustainably grows into the future.

From a climate perspective, Qube has reduced its carbon intensity by 8.9% in FY21 as reported under the NGER Scheme in October 2021, which is pleasing and positive. Scope 1 and 2 greenhouse gas emissions reduced by 2%. Likewise, there were declines in CO₂ emissions and energy consumed.

Importantly, significant progress has been made on our organisation's decarbonisation journey. Our sustainability team has worked to develop a roadmap that sets out goals for emission and energy reduction, innovation goals and upcoming trials across our operations. We are pleased to showcase our plans and targets in this Sustainability Report and attached in our Task Force on Climate-Related Financial Disclosures (TCFD) Statement.

Our work over the past twelve months has highlighted even further our commitment to ensuring a more sustainable world.

As a leading logistics provider, we have an important role to play in driving the change and setting a journey that is both responsible and achievable.

We are taking strong action by actively setting intensity targets and partnering with like-minded people to innovate supply chain solutions.

I am also particularly proud of the role that Qube plays in the communities in which we operate. Qube has continued its commitment in supporting charitable and community-related causes to make a difference to the lives of others. For this purpose we have also introduced special paid leave for eligible employees to contribute to their local community.

I want to thank our Qube teams for their resilience over the past two years. It has been a period of change in a challenging global environment, but we have learnt and grown as an organisation. I am proud of the progress that we have made on our decarbonisation journey and in defining a more sustainable future. I am confident that we will continue our journey to a sustainable future.

A handwritten signature in black ink, appearing to read 'Paul Digney'.

Paul Digney
Managing Director

FY22 Highlights

OUR WORKFORCE

8,219

TOTAL WORKFORCE
(AS AT 30 JUNE 2022)

13.43%

FEMALE PARTICIPATION RATE

7.4 TRIFR

(TOTAL RECORDABLE INJURY FREQUENCY RATE)

0.75 LTIFR

(LOST TIME INJURY FREQUENCY RATE)

0.69 CIFR

(CRITICAL INJURY FREQUENCY RATE)

1

FATALITY

659

LEADERSHIP TOURS

816

COMPLETION OF MODERN
SLAVERY TRAINING

ENVIRONMENT

DECREASED ↓ 2%*

SCOPE 1 & SCOPE 2 GREENHOUSE GAS EMISSIONS

ZERO

NOTIFIABLE ENVIRONMENTAL INCIDENTS

CARBON INTENSITY (tCO₂-e per \$M) ↓ 8.9%*

*In FY21 as reported under the National Greenhouse and Energy Reporting (NGER) Scheme in October 2021.

About Qube

Qube is Australia's largest integrated provider of import and export logistics services with a market capitalisation of around \$4.8 billion as at 30 June 2022.

We operate in over 160 locations across Australia, New Zealand and South East Asia with a workforce of more than 8,200 employees.

Qube is comprised of two core divisions, the Operating Division and Qube's 50% interest in Patrick Terminals, Australia's leading container terminal operator.

The Operating Division comprises two business units, Qube Logistics & Infrastructure and Qube Ports & Bulk:

Qube Logistics & Infrastructure

Qube Logistics (QL) operates services covering road and rail transport, warehousing and distribution, container parks and related services, and international freight forwarding services.

Qube Infrastructure includes ownership and operation of key terminals and infrastructure, including:

- Automotive terminals – through Australian Amalgamated Terminals (AAT), Qube provides automotive, general cargo and break-bulk facilities in Brisbane, Port Kembla and Melbourne.
- Grain terminals – through Quattro and Newcastle Agri Terminal, Qube operates multi-user grain storage and handling facilities in New South Wales
- Rail terminals – the development and operation of an import-export (IMEX) rail terminal and metro terminal
- Intermodal Rail terminals – regional.

Qube Ports & Bulk

Qube Ports is a specialist integrated port services provider, providing bulk and general handling facilities in over 40 Australian, New Zealand and South East Asian ports. Our Ports team leads the market in providing purpose designed solutions for handling containers, bulk, automotive and general cargo. Qube Ports manages over 10 sites for the forestry industry in New Zealand and Australia and is also an established provider of supply chain logistics services to the energy sector.

Qube Bulk provides customers with the full range of bulk material handling services, including road and rail transport, stockpile management and bulk ship loading. Qube Bulk specialises in large-scale bulk export facilities and bulk material supply chains.

Patrick Terminals

Qube owns a 50% interest in Patrick Terminals with the other 50% owned by Brookfield and its managed funds. Patrick is an established and leading terminal operator providing container stevedoring services in the Australian market.

Patrick Terminals operates over four kilometres of quay line with 24 cranes and 130 straddles at four strategically located ports around the Australian coastline. The network of terminals is located in the ports of Brisbane, Sydney, Melbourne, and Fremantle.



Overview

Our Vision and Strategy

Qube's vision is to be Australia's leading provider of integrated logistics solutions focused on import and export supply chains. Qube's strategy to achieve this vision includes:

- investment in infrastructure, facilities, equipment and technology to build scale and competitive advantage
- delivering reductions in transport costs and carbon emissions by eliminating unnecessary movements
- an ongoing focus on innovation to provide superior operating, safety, environmental and financial outcomes
- where possible, providing a comprehensive integrated supply chain solution for customers through Qube as a single service provider, delivering both price and service benefits to customers while delivering sound financial returns to Qube
- ownership or long-term leasing of strategic locations at or near ports and other key infrastructure
- rail and road-based solutions delivering most efficient modal outcome
- maintaining a conservative balance sheet position with adequate liquidity, sufficient headroom to Qube's financial covenants and proactively managing refinancing risk in order to support ongoing operations and continued investment in the business across different economic conditions.

Our Geographic Locations

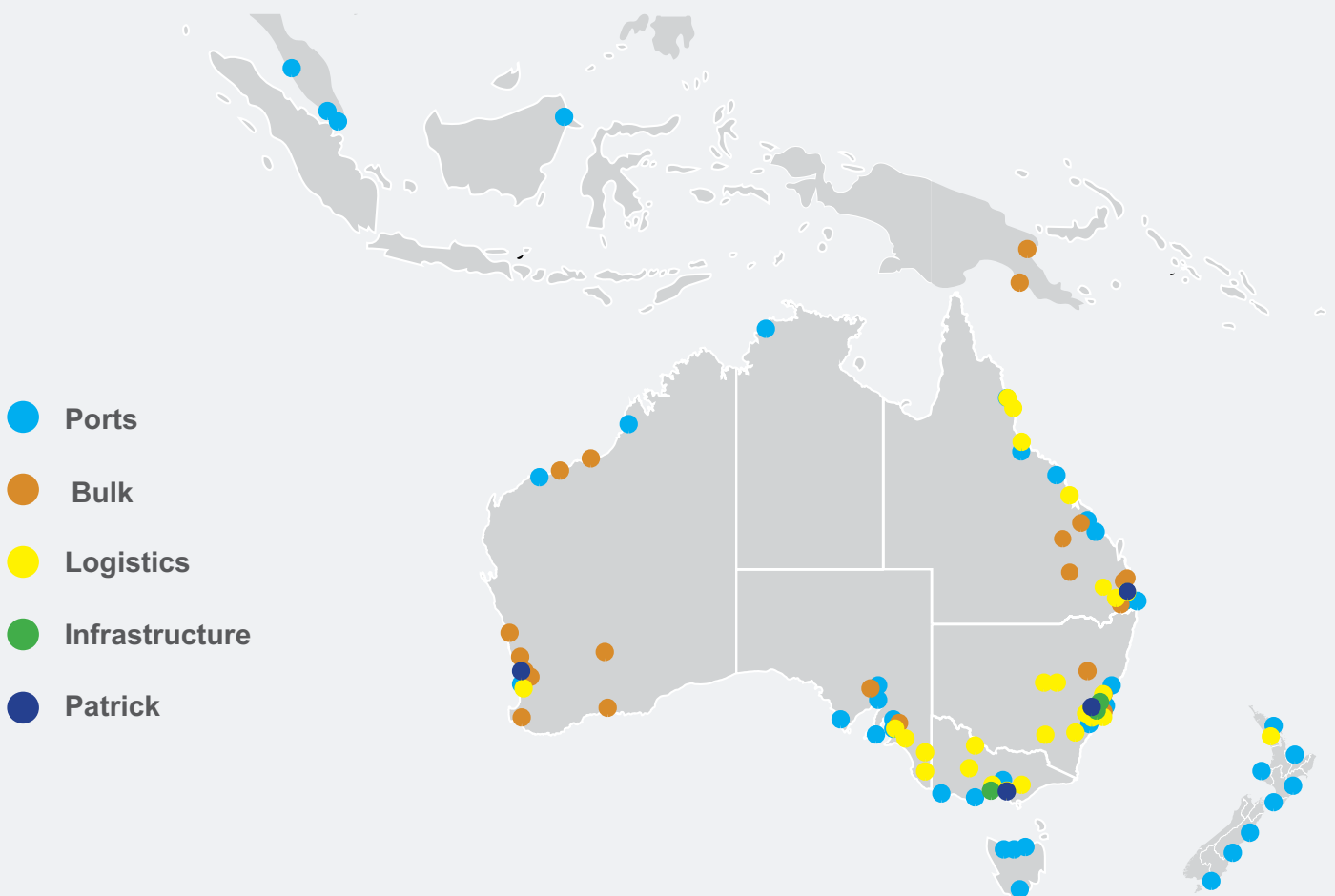




Photo contribution by Qube employee: Steven Kay - Carrapateena, SA



New QL Series Locomotive



Qube Bulk Utah Point operations, WA

Our Performance

This section should be read in conjunction with our TCFD Statement attached in the appendix which contains additional detail on our targets and factors that will impact the achievement of those targets.

PERFORMANCE AREA	FY22 TARGET	STATUS COMMENT	FY23 OBJECTIVES
Safety and Health Despite the many challenges we faced in FY22, we remained focused on our goal of Zero Harm, which reflects Qube's belief that we operate in a safe environment where risks are managed and work does not impact upon the health and wellbeing of Qube's workforce.			
INJURIES	LTIFR less than 1	● LTIFR of 0.75 per million hours worked representing 6.3% reduction from FY21	LTIFR less than 1 Maintain improvement against target
	Year-on-year reduction in TRIFR	● TRIFR of 7.4 per million hours worked representing 17.7% reduction from FY21	TRIFR less than 7.75 Maintain improvement
LEADERSHIP TOURS	At least 95% of scheduled leadership tours completed	● Both business units achieved target	More than 95% of scheduled leadership tours complete More than 60% of formal safety engagements with front line workers
CRITICAL RISK VERIFICATIONS	At least 95% critical risk verifications completed	● Both business units achieved critical risk verifications target completions	More than 95% critical risk verification completion rate More than 70% front line worker participation in critical risk verification
CORRECTIVE ACTION CLOSURE RATES	At least 90% corrective action closure rate within due date	● Both business units achieved target corrective action closure rate	More than 95% corrective action closure rate Continued focus on investigations
INCIDENT CLOSURE RATE	At least 95% incident closure rate within 30 days	● Both business units achieved target incident closure rate	More than 95% incident closure rate within 30 days Maintain improvement against target
TRAINING COMPLIANCE	At least 90%	● 98% compliance rate recorded	Implementation of training plans
CRITICAL INJURY FREQUENCY RATE (CIFR)	Less than 1.0	● 0.69 recorded	CIFR less than 1.0 Maintain improvement against target
Environment We are committed to safeguarding the environment by complying with environmental laws, regulations, standards, and managing the potential impacts on air, water and land.			
SIGNIFICANT ENVIRONMENTAL INCIDENTS	Zero class 3+ environmental incidents	● Zero Class 3 and above environmental incidents recorded	Continue to achieve target
SIGNIFICANT FINES AND PROSECUTIONS	Zero fines/material breaches & prosecutions	● Zero environmental fines, material breaches or prosecutions	Continue to achieve target
Climate Risk We are focusing on sustainable solutions by enhancing our vehicle fleet through energy efficiency, and investigating opportunities for the use of renewable fuels and electrification.			
EMISSIONS*	4% reduction in carbon intensity (percentage in tCO ₂ -e/\$M revenue)	● Achieved 8.9%* reduction	8% reduction in carbon intensity (percentage in tCO ₂ -e/\$M revenue) Maintain improvement against target
	Increase percentage Euro 5, 6 compliant prime movers	○ 85% of prime mover fleet is at least Euro 5, 6 compliant	Target of at least 90% prime movers Euro 5, 6 compliant
ENERGY CONSUMED*	Increase percentage of recently constructed and new owned infrastructure with renewable energy installation	○ In FY21, 50% of new Qube owned infrastructure had renewable energy installation	Continue to invest in renewable energy for our new owned infrastructure
● MET ● PARTIALLY MET ● NOT MET ○ NOT APPLICABLE			

*As reported in National Greenhouse and Energy Report (NGER) in October 2021

PERFORMANCE AREA	FY22 TARGET	STATUS	FY23 OBJECTIVES
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Modern Slavery (MS) and Human Rights (HR)

We recognise the potential existence of modern slavery in our operations and supply chains. Our approach is to manage modern slavery risks as a subset of a broader suite of human rights concerns pertinent to our business.

MODERN SLAVERY AND HUMAN RIGHTS	Continue to implement Modern Slavery and Human Rights Action Plans	● Implemented several actions in both MS and HR action plans	Continue to address all actions in Human Rights Policy and Modern Slavery Plan
	Appropriate employees to complete MS and HR training	● Training program completed by 816 employees	Ongoing training program implementation. Assess and address high risk suppliers.

Community

At Qube, we recognise the importance of working with the communities in which we operate. We support our employees in making a contribution to organisations and causes they are passionate about, in order to add value to society.

COMMUNITY	Not applicable	○ Continue to support the communities in which we work	Commitment to continue to contribute to the communities we work in
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Diversity and Inclusion

At Qube, we recognise the inherent value of each person, regardless of background, where they live, what they look like, what they think or what they believe.

DIVERSITY & INCLUSION	40% female Board members by 2025	● Board currently comprises 25% females	Continue non-discriminatory Board renewal program
	15% female workforce by 2025	● Year on year increase representation of women in operations	Increase representation of females and indigenous employees

Sustainable Supply Chain

We are developing a procurement framework that supports the needs of the business and has a positive environmental, social and economic impact.

SUSTAINABLE SUPPLY CHAIN	Not applicable	○ Draft Sustainable procurement standard developed	Undertake assessment of high risk suppliers
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Employee Engagement

We are enhancing our employee engagement to gain an understanding of satisfaction, feedback and effective communication.

EMPLOYEE ENGAGEMENT	Not applicable	○ Completed Annual Employee Satisfaction survey	Continue to implement People and Culture Strategy
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● MET ● PARTIALLY MET ● NOT MET ○ NOT APPLICABLE

Sustainability Approach

Governance

The Board is accountable for the oversight, monitoring and review of the company's practices and governance in relation to sustainability. The Safety, Health and Sustainability Committee, a committee of the Board, assists the Board by overseeing, monitoring and reviewing Qube's practices and governance in safety, health, sustainability, environment, climate change, social performance and the human rights of employees and operations. The Safety, Health and Sustainability Committee also reviews our Sustainability Report.

Responsibility for managing programs and practices relating to sustainability is delegated by the Board to the Managing Director and the senior management team. These programs and practices are delivered by the operations and group functions, in accordance with our Operating Model. Sustainability strategy and governance is led by our Director – People, Culture and Safety with support from our Safety, Health and Sustainability team. Our Sustainability Framework supports the obligations of the Safety, Health and Sustainability Executive Committee to exercise diligence in decisions relating to sustainability

risks and opportunities and to disclose these to the Safety, Health and Sustainability Committee.

The Audit and Risk Management Committee assists the Board to fulfil its responsibilities in relation to the oversight of the company's Risk Management Framework and processes.

The Board's performance and effectiveness, and that of its committees and directors, is reviewed every year. Improvements are made where required. We encourage and record shareholder questions, including on sustainability matters, at our Annual General Meeting. These may be submitted in advance. We are also increasingly being asked to meet with our institutional investors to discuss our sustainability performance and aspiration. We welcome these discussions.

For more information on our Board and Board committees – including composition, skills and experience, process for appointments, and director independence, induction, and continuing education – refer to our website and the 2022 Corporate Governance Statement.

Safety, Health and Sustainability Committee



Alan Miles
Non-executive Director
Chair of Safety, Health and Sustainability Committee

"On behalf of the Safety, Health and Sustainability Committee, I am pleased to present the FY22 Sustainability Report. As a committee, we are constantly inspired by the passion within the Qube organisation to continue to develop and build an even more robust and sustainable organisation that is driven to make a difference to the lives of our customers, communities and planet. We commend our employees on their willingness to go above and beyond – whether it is an idea to make our operations safer, supporting our new employees, engaging with local communities or bringing a new idea forward. Everyone has a role to play."



Paul Digney
Managing Director
Member of Safety, Health and Sustainability Committee



Nicole Hollows
Non-executive Director
Member of Safety, Health and Sustainability Committee



Stephen Mann
Non-executive Director
Member of Safety, Health and Sustainability Committee

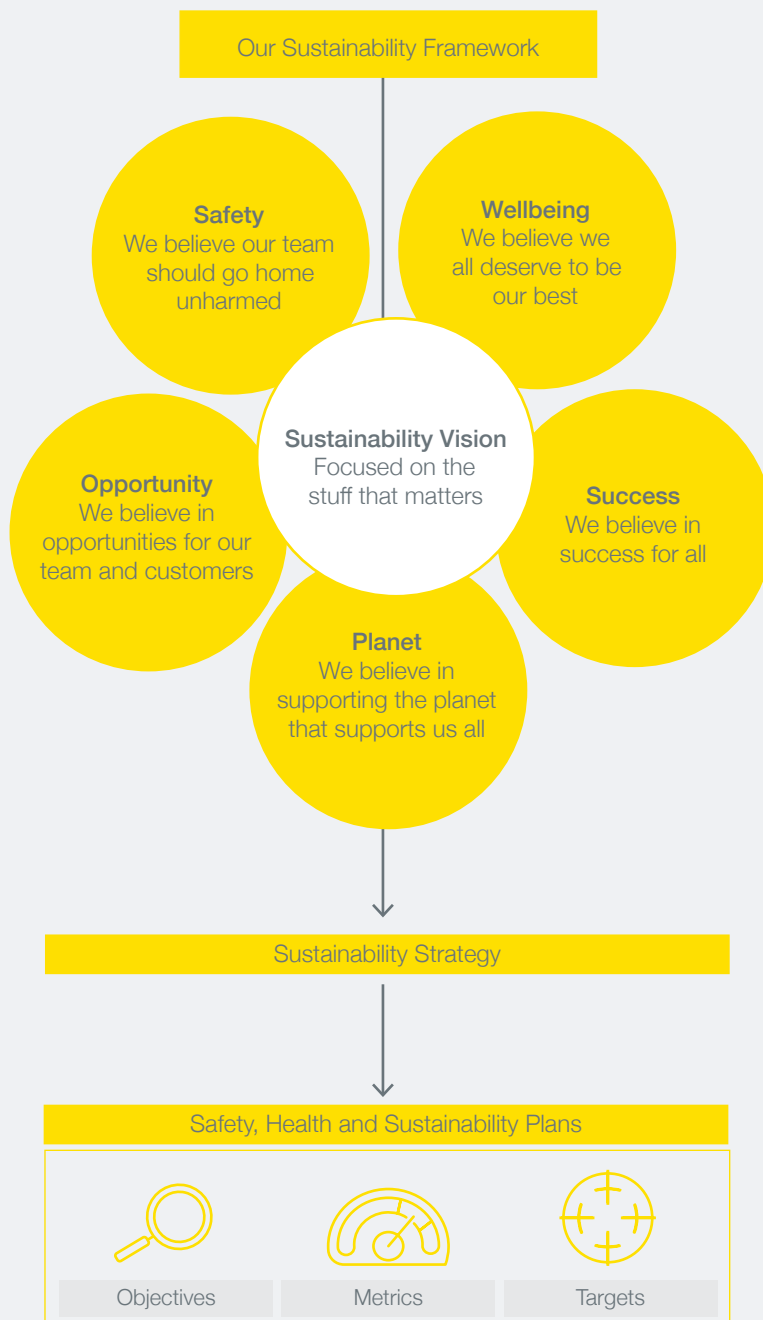


Emily Link
Director People, Culture and Safety



Belinda Flynn
General Manager Safety, Health and Sustainability

Sustainability Governance Structure



Sustainability Framework

The Sustainability Framework defines how sustainability is integrated across the business and sets the requirements for annual objectives, metrics and target setting.

Sustainability at Qube means the safety and wellbeing of its people, caring for the planet and managing our financial performance, productivity and economic sustainability.

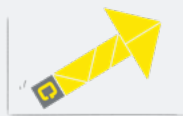
Sustainability is linked to Qube's business strategy because the sustainability of Qube's activities is important to the company's future success. Qube's sustainability strategy is shaped by its five pillars: Safety. Wellbeing. Planet. Opportunity. Success.

As an integrated supply chain company, Qube's contribution to sustainability is also achieved by providing its customers with industry leading solutions that drive and provide efficiency, reducing the impact of customers' operations on the environment.

Qube works with the local communities in which it operates to achieve better social outcomes, implementing a range of initiatives focusing on social responsibility, local and Indigenous employment and stakeholder engagement.

Qube embraces diversity and inclusiveness in the workplace. Qube relies on, and encourages, its people to contribute a diverse range of skills and experiences in order to deliver the best outcomes for its customers. Qube continues to strengthen its focus on recruiting strategically to increase workforce participation across a range of demographics.

Plan to thrive



Safety

We believe our team should go home unharmed.

'Zero Harm' is an aspiration we will always strive for.

In both our physical health and mental health.

'Thrive' is about helping us to look after both.

Both matter every day. And we all have a part to play.

Everything we do needs to be done safely.



Wellbeing

We believe we all deserve to be our best.

Good wellbeing helps us to be our best.

'Thrive' helps us to nurture good wellbeing as well as safety.

As individuals. And as a team.

It supports who we are and what we can achieve.

Good wellbeing sets us up for success.



Planet

We believe in supporting the planet that supports us all.

We seek and seize opportunities to be more sustainable.

These are outcomes we don't just want to achieve.

These are outcomes we need to achieve.

For our future and beyond.

Because we only have one planet.



Opportunity

We believe in opportunities for our team and customers.

We create training and career opportunities for our team.

To grow our people. Benefit our customers. And our business.

We seize opportunities to innovate, improve and expand.

To support our people. Build our customers. And our business.

Success begins with opportunity.



Success

We believe in delivering the right outcomes for all.

Whatever the opportunity, we collaborate to create the right outcomes.

Investing in technology and innovation sets up the right outcomes.

Our relationships and know-how deliver the right outcomes.

For our customers, our people, our business, our shareholders and partners.

When we deliver, we all succeed.

Risk Management

This section should be read in conjunction with Qube's operating and financial review contained in the 2022 Annual Report and 2022 Corporate Governance Statement.

The Board is focused on those risks capable of undermining the strategy or viability of the group or severely damaging its reputation (group risks). Normal operating risks (business risks) are assessed and managed by the business unit leadership teams.

The system is supported by a Risk Management Policy. Effective risk management is essential in keeping our people and communities safe, protecting value and securing our growth. Our detailed Risk Management System comprises a Risk Framework and a Risk Process which together define our overall approach to risk management.

The Board has established a Risk Management Framework which incorporates a formal, Board-approved Risk Appetite Statement (RAS) setting the parameters within which the Board expects management to operate. The Board has delegated the oversight responsibility for risk management and internal control of major risks of Qube to the Audit and Risk Management Committee and, in respect of risks relating to safety, health, environment and operational matters, to the Safety, Health and Sustainability Committee. Both the committees meet regularly to review the effectiveness of Qube's risk management systems, processes and internal controls and report outcomes of their meetings to the Board.

To build a culture of risk awareness and a sense of ownership of risk, each of the Qube Logistics & Infrastructure and Qube Ports & Bulk business units have their own risk management leadership teams that meet regularly to review the risk profile of the business. They include senior managers who have a strong understanding of the relevant business and are best equipped to identify associated risks.

Identification of Risk

Each Qube Business is responsible for identifying, assessing and managing material risks to their business in accordance with the RAS. These include financial risks and non-financial risks such as environmental and social sustainability risks.

Each Qube Business provides for reporting on risk management in its regular reporting. On a periodic basis the risks for each Qube Business are formally reviewed and consolidated into an overall group risk register. These registers are assessed by the Managing Director, in consultation with the Chief Financial Officer and other senior management, to ensure that each Qube Business has an effective risk management process in place and that the risk registers accurately reflect all current key risks of the Qube Group and its associates.

Management Material Risks

Material risk information is presented to, and discussed with, the Executive Leadership Team, the Audit and Risk Management Committee, the Safety, Health and Sustainability Committee and the Board to ensure active oversight and involvement in risk management is maintained at a high level within the company.

Internal Controls

Qube has a number of checks and balances in place to ensure effective internal control across the Qube Businesses. These include a rigorous budgeting and review process and monthly Qube Business management meetings with significant involvement from Qube's corporate office.

In addition, Qube has an internal audit function that presents reports on the findings of its internal audit reviews to the Audit and Risk Management Committee on a regular basis. A number of functions across all Qube Businesses, and the risks associated with those functions, are overseen by either a Board-convened committee or an executive committee. This task is currently undertaken by the Board-convened Audit and Risk Management Committee. At least twice each year, management presents updated business unit, group and material associated risk registers to the Audit and Risk Management Committee which in turn reports to the Board.

Each site and function is required to understand and actively manage its own material risks and have measures in place to prevent their occurrence, including clear management plans for each material risk. Our sites and functions are supported in managing their risks by effective systems and tools, as well as by the appropriate resources and capability to apply the Risk Management Framework.

FY22 Material Topics - Stuff that Matters



Each year, Qube undertakes a materiality assessment with the purpose to build on and enhance Qube's current sustainability commitments, as well as to propose a suite of group-wide sustainability key performance indicators (KPIs), targets and measures.

The FY22 materiality assessment has helped identify and rank current and emerging material sustainability issues and opportunities to allow focus on what matters most to Qube.

These nine topics below have been identified as high in materiality. Aligning Sustainable Development Goals (SDGs)¹ by topic, are also shown.

1

Risk Reduction

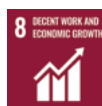
To achieve our Zero Harm goal, we recognise that people are the solution to a safe workplace. It is critical that we engage with our people and understand how the work is done, not imagined.



2

Leadership

Supporting our managers and supervisors as leaders of the organisation aligning with our Qube values and standards.



3

People and Culture

We invest in supporting our people to enable them to perform at their best, providing opportunities to build their skills and capabilities.



4

Climate Change

Our approach to mitigation of, and adaptation to, climate change and the implications for our business, including physical risks, transition risks and market risks.



5

Environment

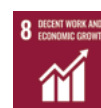
We are committed to reducing our environmental impact so that our business is sustainable for the future.



6

Community

Maintaining our social licence to operate by managing community expectations, responding to community concerns and supporting the communities in which we work.



7

Governance and Systems

Providing independent assurance to management, Board and Board committees that we are managing our risks, and identifying opportunities to learn and improve our systems and processes.



8

Diversity and Inclusion

We strive to create a workplace where everyone feels comfortable, and we respect and value the unique talents and contributions of each employee.



9

Health and Wellbeing

Our holistic wellness approach focuses on Body, Mind and Life. Each pillar is linked, and requires a balanced approach.



1. For more information about Sustainable Development Goals (SDGs), see page 1



1 Risk Reduction - Material Risk

To achieve our Zero Harm goal, we recognise that people are the solution to a safe workplace. It is critical that we engage with our people and understand how the work is done, not imagined.

FY22 PRIORITIES

- Ongoing investment in our risk management processes driving continuous improvement
- Continued education of employees
- Implementation of a new Qube Learning program for new train drivers and ongoing training for stevedoring
- Roll-out of INX (software system to manage SHS) to drive increased compliance and proactive approach to health and safety, incidents, hazards and audits
- Enhance and develop our CCM Program to verify our critical controls supported by our integrated INX system that will improve our analytical capability

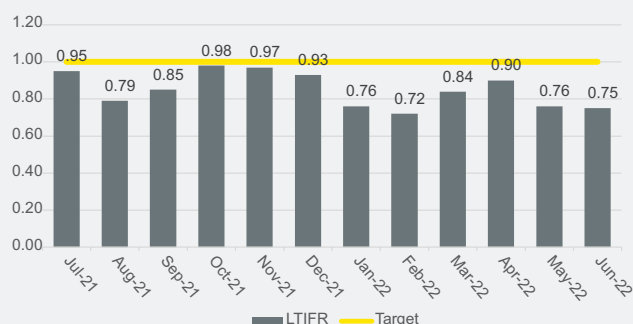
In FY22 we continued our improvement in SHS performance. Our **Total Recordable Injury Frequency Rate (TRIFR)** target for year-on-year reduction was achieved in FY22, with a TRIFR of 7.4 per million hours worked, representing a 17.7% reduction from FY21.

TRIFR



Our **Lost Time Injury Frequency Rate (LTIFR)** was 0.75 per million hours worked, a 6.3% reduction from FY21.

LTIFR



Significant organisational effort on critical risks was a focus in FY22 however we continue to see the organisation perform well against our target achieving **Critical Injury Frequency Rate (CIFR)** of 0.69 – against a target 1.0.

We continue to embed our commitment to providing a safe and healthy workplace for all workers through effective systems, culture and secure operations. This commitment includes overall health and wellbeing impacts, fatigue, mental health, physical hazards and minimising risk in line with our SHS plans.

Our FY22 SHS plans included these key business elements:

Risk Reduction

■ Critical Control Management (CCM)

- Develop a critical risk campaign for both business units, focusing on engaging with our workforce – “people that are doing the job “
- Implement critical risk training for all employees
- Identify critical risk control owners
- Critical Control Management (CCM), supported by the use INX app and improved data reporting and analytical capability
- Critical Risk System verification

■ Incident Management

- Incident reviews with senior managers – identifying incident details and immediate corrective actions

■ Risk Management

- Review of Risk Management Standard and Procedure to improve risk assessment process

Governance and Assurance

- Implement new INX (event reporting platform) system across the group

Standardisation and Simplification of SHS management System.

- Align across the group to Qube SHS Management System
- Continue to implement our Assurance Program across the group focusing on critical risks

SHS Culture and People

Leadership Training

- Business units to continue to undertake Supervisor and Management training

- Continue leadership tours as per business plans. Leadership tours focus on getting directors and senior leaders to step away from their desk to make regular visits to different worksites to talk directly with the people on the tools about the safety issues that relate directly to them.

- Expand traineeship/cadet program

Safety Training

- Continue to provide standardised SHS training in line with SHS Standards and Procedures, including induction for all new staff members
- Review SHS Induction to identify opportunities to improve learner experience and engagement

Diversity and Inclusion

- Continue our partnership with Wayfinder
- Increasing representation of women across the Qube Group

Indigenous Partnership

- Offer apprenticeship and traineeship opportunities through our Clontarf partnership

Innovation

- Identify areas of opportunity within the business to implement Virtual Reality (VR) training
- Trial implementation of pedestrian safety detection in QL warehouses (current trial QL Queensland and QL Victoria)

Health & Wellbeing

- Roll out initiatives in line with Thrive calendar
- Continue to support and implement the Healthy Heads in Trucks and Sheds, initiative as Qube's mental health program, a not-for-profit organisation focused on addressing mental health issues in the road transport and logistics industries in Australia

Community

- Provide two days special community leave for all eligible employees

Sustainability

Environment

- Undertake environmental audits, across all business units, covering environmental requirements and legislation
- Continue (ISO 14001) environmental certification across the business units

Climate Change

- Undertake scenario analysis of transition risks and opportunities, in line with TCFD recommendations and publicly available information
- Based on the outcomes of the KPMG Net Carbon Zero assessment, agree on low carbon transition scenarios
- Continue to assess climate risks within the business, integrating climate change risks into group material risk assessments
- Develop assessment protocol for installation of renewable energy on owned infrastructure.

Emissions

- Improve the fuel efficiency of our truck fleet, increase percentage of the prime movers that are 5 and 6 EEV (enhanced environmentally friendly vehicle). Euro 5, 6 refers to emission standards which define exhaust emissions of NOx CO2 from engines.
- Undertake assessment of new locomotives to identify emission reduction initiatives

Critical Risks

Qube's strategic plan for critical risk management is a key focus of our program. As the critical risk program has matured the strategy includes a focus on verification of our critical controls being effective through gaining insight from our front line workers.

In FY22, we undertook critical risk training across both business units, with a focus on improving our standard of critical risk reviews.

CASE STUDY

THE NEED FOR CHANGE

Qube was delighted to be involved in the development of the international Due Diligence Index – Safety (DDI-S) board health and safety performance reporting tool. The tool has been developed through an open collaboration between Clyde & Co, Professor Sidney Dekker, Art of Work and a number of pilot participants including health and safety professionals from Qube, Hansen Yuncken, Transgrid, Serco, QUU, Brisbane Airport Corporation and Aurizon.

The DDI-S has been developed to provide a metric for boards and executives of organisations to understand the presence of safety in their organisation by collecting and reporting on the state of assurance activity being taken at the organisational level. It is also aligned to the personal health and safety legal obligations of organisational officers to exercise due diligence. This game changing index is set to be a fixture in the future of work worldwide and will eventually replace outdated safety measures that not only provide poor insights to executives and boards about the true safety performance of their organisation but can lead to devastating safety outcomes.



We are focused on training and empowering our leaders to build a resilient, dynamic and agile organisation that establishes Qube as an innovative market leader.

FY22 PRIORITIES

- Systematic and targeted learning and development program across management personnel
- Mentoring program to be expanded to offer enhanced growth opportunities supporting career pathway development
- Build leader capability through bespoke training and mentoring programs for supervisors and emerging talent

Management Training

We began development of an expanded Line Manager training course to include:

- leadership skills
- supply chain knowledge
- specific knowledge on the business or specific workplaces position within their supply chain
- technical knowledge regarding the line managers business unit or specific workplace
- Line Manager responsibilities and KPIs
- key SHS responsibilities
- use of company systems to facilitate operations and report
- operational finance requirements
- client relations and contracts
- business development and innovations

Higher Level Management Introduction Leadership

The program has been successful and we continue to focus on delivering the Essential Supervisors program. This program supports supervisors to acquire targeted management skills and guide them through the transition of being an employee to an effective and respected supervisor. The following areas are covered:

- roles and responsibilities of a supervisor
- safety for supervisors
- people management
- business management

The program covers the key aspects, functions and responsibilities of a supervisor and why they are an important part of a supervisor's daily work.

We will continue to roll out this program across the business as we see this as an essential pathway to develop our future leaders.

Personal and Professional Development (LinkedIn Learning)

Qube has completed a full 12-month subscription to LinkedIn Learning and has continued to provide access for another 12 months with 250 licences. The FY23 strategy includes a KPI to increase the hours of training recorded through LinkedIn Learning for both personal and professional development each year.



Qube train driver, Kevin, Victoria Dock, West Melbourne



Darren, Qube Logistics – Outer Harbor, SA



Mohit, Qube Bulk – Bunbury, WA



Rhianne, Qube Energy – Darwin, NT



Our people are the key to our success. We recognise that the performance, health, wellbeing and knowledge of our people have a significant impact on our brand recognition, our client satisfaction and, ultimately, our financial performance.

FY22 PRIORITIES

- Focus on onboarding process optimisation
- Continued monitoring of employee engagement measures on a biannual basis through our employee surveys
- Increase opportunities for female participation, including cadets, aiming for 65% female representation for operational cadet role intakes and identifying strategies for attracting female applicants
- Creating and delivering professional development pathways for managers and employees
- Increasing our focus on performance reviews and coaching

Despite the many and varied set backs in FY22 due to COVID-19 and the resulting global labour shortages, significant progress was made across the majority of pillars within the FY22 strategy.

Recruitment and Retention

Our recruitment processes improved through investment in the PageUp job application and candidate selection software. This has returned a more streamlined experience for both candidates and recruiting managers.

Qube Cadet Program

The cadet program is a 12-month structured opportunity where cadets undertake two rotations within the business and gain experience across the Qube Group. It is embedded in our strategic talent and capability development strategy.

The FY22 cadet program expanded with a number of cadets moving out of the cadet program and into the business operations. Awareness of the cadet program and the benefits it can offer has been strengthened across recruiting managers.

Upskilling Existing Employees and New Recruits

Upskilling includes training personnel in the use of machinery as well as knowledge and performance of tasks.

In FY 21/22, 1517 people – 70% of the operational workforce – were upskilled across the operating business units.

Employee Experience and Culture

The employee wellbeing program was rebranded as 'Thrive' early in FY22 with corresponding changes to myQube and wellbeing materials. LinkedIn Learning was launched along with the Learning & Development Standard. The Community Wellbeing and Engagement Policy was launched, providing two days paid community leave available to all eligible employees.

Diversity and Inclusion

FY22 saw terrific engagement across our D&I activities with IDAHOBIT (International Day Against Homophobia, Biphobia, Interphobia and Transphobia), International Women's Day and International Men's Day all recognised and well received. In FY23 we will formally recognise First Nations peoples with consultation commencing in late FY22 and the commencement of the Qube Reconciliation Action Plan. The percentage of female participation across Qube continued to increase slightly again in FY22 (from 10.7% to 11.4%) for Australian-based operations. Female managers within our Australian-based operations continued to increase from 7.75% in 2020 to 8.72% in 2021 and 8.9% in 2022.

Some of our Cadets



Heidi



Laura



Zoe



Jaydn

CASE STUDY

IDAHOBIT DAY AT QUBE

On Tuesday 17 May, the Qube organisation came together to recognise IDAHOBIT Day (International Day Against Homophobia, Biphobia, Interphobia and Transphobia) – a day for the whole community to stand against LGBTQIA+ discrimination.

The teams showed their support for each other by:

- wearing a Qube IDAHOBIT pin
- decorating sites in rainbows and enjoying rainbow cupcakes
- participating in Toolbox talks to learn more about IDAHOBIT and how they could support everyone in their workplace

At Qube, we encourage workplaces with a culture that allows team members to feel included, and encouraged to bring their whole selves to work-enabling diversity to flourish and creating better experiences for our team and customers.



IDAHOBIT celebrations across Qube locations.

CASE STUDY

COVID-19 VACCINATION HUBS

Qube opened COVID-19 vaccination hubs at Moorebank, Brisbane and Fremantle to accelerate access to Pfizer vaccines for all priority workers during the initial vaccination roll-out programs.

The focus was on providing vaccines to any essential workers including healthcare, disability and aged care workers, food distribution workers, transport and logistics workers, essential service workers and their families.



Qube employee, Katie, receives the first COVID-19 vaccination at the Qube vaccination hub, Moorebank, NSW.

CASE STUDY

NEW APPRENTICESHIPS AT QUBE BULK

The Qube Bulk Pilbara Transport Maintenance team welcomed five apprentices in 2022.

The apprentices will work to achieve the qualification of Heavy Diesel Mechanic (Road Transport) while working alongside experienced professionals from diverse cultural backgrounds who will support them as their mentors.



New apprentice team commence work at Utah Point, WA.



We are committed to playing our role in addressing the physical transition and market risks of climate change and the implications for our business.

FY22 SUMMARY

- Carbon intensity has reduced by 8.9% (tCO₂-e/\$M revenue)
- Roll-out of renewable energy project commenced, initially across warehousing sites
- Completed independent Net Carbon Zero Assessment
- Continued to procure lower emission assets (prime movers)

Qube's Climate Risk Journey

"I feel a sense of responsibility to our future generations and the communities we work in to create a more sustainable world. As a logistics provider, we have an important role to play by reducing and minimising our greenhouse gas emissions.

We can't underestimate the challenge but we are up for it. We are taking strong action by actively setting intensity targets and partnering with like-minded people to innovate cleaner fuels. The challenge cannot be achieved overnight, but with strong leadership and commitment we can create a sustainable future."

Paul Digney

At Qube, there are many facets of sustainable operations, including climate change impacts. Ultimately, this requires us to operate the business efficiently and with innovative solutions for customers so they can reduce their environmental footprints. Qube recognises that the impact of climate change presents a challenge to business, society and the natural environment.

In this reporting period an assessment against the TCFD framework has been conducted and partial disclosure statements presented are aligned with TCFD recommendations. In conducting its assessment, Qube considered the diversity of its operations and portfolio in the context of transitional, physical and reputational risks as well as considering opportunities particularly in respect of transport, new markets and technological changes.

Physical, transitional and supply chain risks for Qube have been analysed through the Taskforce on Climate-related Financial Disclosures (TCFD) framework. The TCFD framework provides recommendations for corporations to identify, quantify and report climate-related financial risks. As recommended by the framework, a scenario analysis was utilised to develop potential scenarios for Qube to assess future transitional climate risks. The key material impacts have been quantified, and the report estimates the potential climate-related financial risks to Qube and key risk metrics.

This review did not identify material short-term risks to the Qube business in respect of climate change, however risks and opportunities across short, medium and long-term horizons were identified.

TCFD Statement

Qube's Task Force on Climate-Related Financial Disclosures (TCFD) performance was assessed for each of the TCFD focus areas, including Governance, Strategy, Risk Management and Metrics and Targets. Our TCFD Statement is attached in the Appendix.



Jacqui, Victoria Dock – West Melbourne

OUR DECARBONISATION JOURNEY

Right now it's clear that our planet needs some help. We realise that we have to reduce carbon emissions to ensure our planet thrives.

We are aware that diesel is our main source of carbon emissions. In order to reduce carbon emissions, we have to do our part. Which is why we've put in place goals that are the key to our climate change response.

While we transition to sustainable technologies and renewable fuels, we are conscious that we need to remain competitive, and our approach considers a journey that is both:

- to be a supply chain leader to transition away from fossil fuels
- sets a journey that is responsible and achievable

EMISSIONS GOALS



Sustainable fuels, like biofuels and eFuels in particular, are important to Qube's decarbonisation roadmap and will be part of our continued alternative fuel initiative.

We will maintain a dedicated program to drive continued improvement in carbon emissions reduction, energy efficiency and reduction in fuel use. However, our success and ability to do so will be dependent on the availability of alternative energy and at commercial pricing.

Our key goals in relation to emissions are:

Reduce Scope 1 emissions intensity

50% by 2030
(Compared to 2018 baseline)

Introduce biofuels

into prime mover fleet

95% of prime movers
Euro 5, 6 by 2027

ENERGY GOALS



We're setting out to power Qube owned offices and facilities with 100% renewable energy by the end of 2030. Progress is already being made thanks to renewable power purchase agreements and installation of onsite solar panels. However, our success and ability to do so will be dependent on the availability of renewable energy supplies and at commercial pricing.

Our key goals in relation to energy are:

Reduce Scope 2

power usage and move to renewable power sources through power efficiency and PPAs

100% renewable

electricity for Qube owned recently constructed and new offices and facilities by 2030

Solar panels on

Qube owned recently constructed and new infrastructure

Qube owned recently constructed and new warehouses and terminals to have **LED lighting by 2024**



CLIMATE CHANGE GOALS

Changing weather patterns and extreme weather events are having repercussions on not just the environment, but also on physical wellbeing. They create an increased risk to supply chain networks.

Our key goals in relation to climate change are

Complete TCFD Assessment

and Partial Disclosure Statement FY2022 to help us manage physical and transition risks associated with climate change

Incorporate climate change

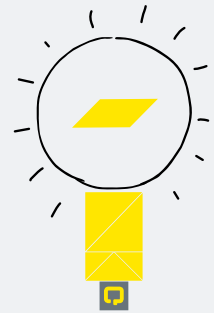
and severe weather risks into building design standards, property evaluations, asset management and capital expenditure evaluations

Climate resilience and capability,

support resilient supply chain networks by better understanding risk and opportunities. Building capability with our leaders to respond to physical and transition risks, and integrating climate risk into our risk management process

INNOVATION GOALS

Sustainable innovation is key to our ability to help both Qube and our planet thrive, which is why we're investing in trials and projects with potential to long-term social and environmental benefits.



INNOVATION PATHWAYS: 4 WAYS TO SUPPORT OUR GOALS

1.

Heavy equipment technology

- We have positioned 85% of our fleet to Euro 5, 6 and adaptable to biofuels
- Biofuels - pilot projects and commercially viable options are being investigated
- Electric - pilot project with domestic manufacturer to trial battery technology for heavy vehicles across long distances in outback terrains is underway

2.

The energy source*

- Biofuels - sourcing of high quality biofuels that are commercially viable
- Electric - assess pilot project outcomes/commercial viability
- Hydrogen - assess pilot project/commercial viability
- Alternative fuels - assess pilot projects for electric and hydrogen technologies and implement if commercially viable

3.

Supporting technologies/innovation

Qube is focused on introducing and partnering with other parties to develop technologies that drive efficiencies including:

- Heavy vehicle systems management
- Fuel management
- In-vehicle enhancements
- Asset optimisation, through our fleet monitoring centre
- Operator behaviour training to influence efficiencies
- Maintenance program e.g. tyre replacement program

4.

Global trends

- Qube has business resources that track, monitor and engage with the broader industry on developments to deliver Qube goals
- Connecting with market leaders in Europe and US to understand global trends

*Our success will be dependent on the availability of alternative fuel supplies and at commercial pricing.

OUR JOURNEY TO DECARBONISATION

We know that the main generator of our emissions is diesel, we have established a number of pathways to support our goal to reduce our emissions.

ROAD Heavy & Light Vehicles

TODAY	2022 - 2027	2030+	2050
Heavy vehicles Alternative fuels <ul style="list-style-type: none"> ■ We have positioned 85% of our fleet to Euro 5, 6 and adaptable to biofuel ■ Biofuel - pilot projects and commercially viable options are being investigated ■ Electric - pilot project with domestic manufacturer to trial battery technology for heavy vehicles across long distances in outback terrains Hydrogen <ul style="list-style-type: none"> ■ Considering investing in hydrogen pilot projects and exploring solutions, this is seen as a significant enabler to a clean energy future Light vehicles <ul style="list-style-type: none"> ■ Undertaking fleet review to identify opportunities to expand hybrid vehicles ■ Develop pilot programs throughout the business 	<ul style="list-style-type: none"> ■ 95% of prime movers Euro 5, 6 Heavy vehicles <ul style="list-style-type: none"> ■ Biofuel - sourcing of high quality biofuels that are commercially available ■ Electric - assess pilot project outcomes/ commercial viability ■ Hydrogen - assess pilot project/ commercial viability Light vehicles <ul style="list-style-type: none"> ■ 50% Qube LV fleet is hybrid or electric 	<ul style="list-style-type: none"> ■ Reduce Scope 1 emissions intensity by 50% Heavy vehicles Alternative fuels <ul style="list-style-type: none"> ■ Assess pilot projects for electric and hydrogen technologies and implement if commercially viable Light vehicles <ul style="list-style-type: none"> ■ 70% LV fleet is hybrid or electric ■ Our success will be dependent on the emergence of technologies and the availability of alternative energy supplies and at commercial pricing 	<ul style="list-style-type: none"> ■ Aspirational goal - Net Carbon Zero ■ Net Carbon Zero describes our aspirational goal to reduce our Scope 1 emission intensity (tCO₂-e/\$M revenue) to zero (compared to 2018 baseline) as we recognise diesel used by our plant and equipment is the main generator of our emissions and unlike Scope 2 emissions are more within our ability to influence ■ Our success will be dependent on the emergence of technologies and the availability of alternative energy supplies and at commercial pricing

RAIL Locomotives

TODAY	2022 - 2027	2030+	2050
<ul style="list-style-type: none"> ■ Qube has commenced replenishing our locomotive fleet with new locomotives that are adaptable for biofuels. ■ Engaging with customers to seek a modal shift to rail where viable Biofuels <ul style="list-style-type: none"> ■ Work with suppliers and distributors to trial biofuels Battery/Hybrid <ul style="list-style-type: none"> ■ Implemented initiatives focused on improved operational efficiency and adoption of technologies that may become available and viable e.g. battery technology ■ Engaged with suppliers and manufacturers to trial hybrid technology that may become available on short haul shuttles i.e. Port Botany to Moorebank Hydrogen <ul style="list-style-type: none"> ■ Hydrogen supply chains are yet to be established at scale for rail networks and operators 	<ul style="list-style-type: none"> ■ Locomotive replenishment program (long term/ investment viable) ■ Biofuels - sourcing of high quality biofuels that are commercially viable ■ The biofuels use is also dependent on the age/technical capability of the locomotives Battery operated locomotives on short/ shuttle runs <ul style="list-style-type: none"> ■ Pilot project - Retro-fitted batteries dependent on manufacturers and supplier support ■ Hybrid shuttle train trial 	Reduce Scope 1 emissions intensity by 50% <ul style="list-style-type: none"> ■ Increased number of hybrid locomotives on short/shuttle runs if pilot program is successful Hydrogen <ul style="list-style-type: none"> ■ Anticipate significant progress in hydrogen (fuel cell) technology which would allow for pilot projects on the Australian rail ■ Our success will be dependent on the emergence of technologies and the availability of alternative energy supplies and at commercial pricing 	<ul style="list-style-type: none"> ■ Aspirational goal - Net Carbon Zero ■ Our success will be dependent on the emergence of technologies and the availability of alternative energy supplies and at commercial pricing

PREMISES Lifting Equipment | Power

TODAY	2022 - 2027	2030+	2050
<p>Power</p> <ul style="list-style-type: none"> ■ Introducing renewable energy into power contracts in Qube owned warehouses NSW and VIC ■ Establish energy management working group across the business ■ Explore opportunities to integrate renewable energy into our current energy mix through power purchase agreements ■ Reviewed asset portfolio to ensure consideration of sustainability factors i.e LED lighting, natural lighting in facilities, terminals and warehouses <p>Lifting Gear, Cranes, Straddles, Forklifts, Reachstackers, Frontend loaders</p> <ul style="list-style-type: none"> ■ Electrical infrastructure assessment has commenced as part of the pilot project for battery electric heavy lifting equipment (reachstackers) 	<ul style="list-style-type: none"> ■ Continue working towards 100% renewable energy by 2030 in Qube owned offices and facilities ■ LED lighting in Qube owned warehouses and terminals ■ Continue to invest in solar panels across Qube owned warehouses and facilities <p>Lifting Gear, Cranes, Straddles, Forklifts, Reachstackers, Frontend loaders</p> <ul style="list-style-type: none"> ■ Pilot project – battery electric heavy lifting equipment ■ If sites unable to be converted with battery electric or hydrogen, Tier 4 or 5 container handlers will be procured 	<ul style="list-style-type: none"> ■ 100% renewable energy across our Qube owned offices and facilities ■ Implementation of battery electric heavy lifting equipment based on successful pilot project ■ Hydrogen lifting equipment likely to be viable at selected locations based on available supply and at commercial pricing ■ Our success will be dependent on the emergence of technologies and the availability of alternative energy supplies and at commercial pricing 	<ul style="list-style-type: none"> ■ Aspirational goal - Net Carbon Zero ■ Our success will be dependent on the emergence of technologies and the availability of alternative energy supplies and at commercial pricing

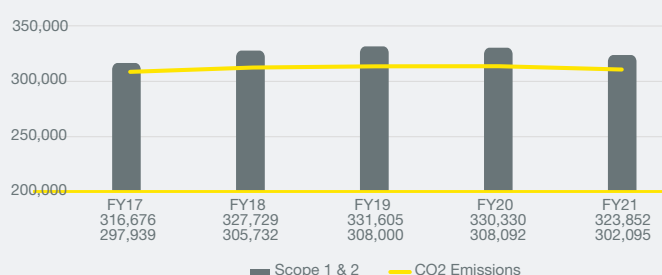
GREENHOUSE GAS EMISSIONS

The greenhouse gases that are reported under the NGER Scheme include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O) and sulphur hexafluoride (SF₆). Under the NGER Scheme and via the Emissions and Energy Reporting System (EERS), Qube has reported data including energy consumption and activities including fuel and energy commodities such as diesel, LPG, ULP and oils.

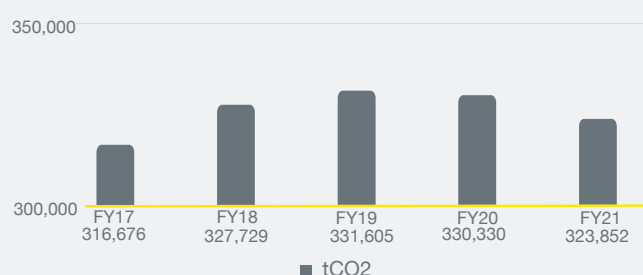
In FY21, Qube's greenhouse gas emissions have decreased by 2% from previous year at 323,852 tCO₂-e. (see table below).

Carbon dioxide makes up the largest emissions to environment at 302,094 tCO₂-e with other minor emissions of methane (442 tCO₂-e) and nitrous oxide (1,718 tCO₂-e) calculated.

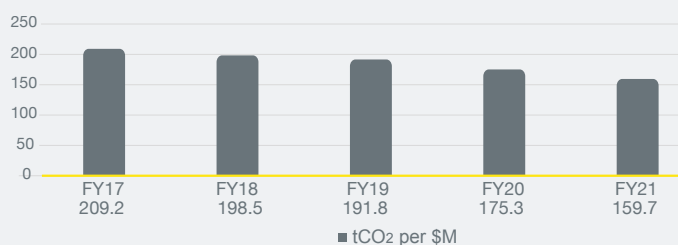
GREENHOUSE GAS EMISSIONS (tCO₂-e)



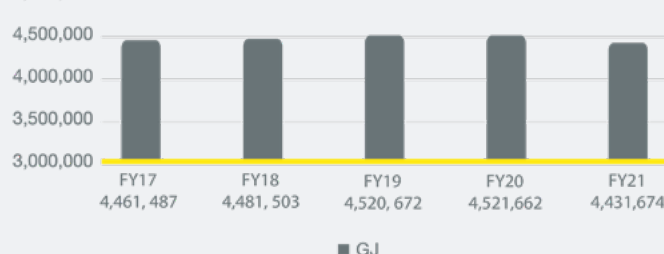
NET EMISSIONS (tCO₂-e)



CARBON INTENSITY (tCO₂-e PER \$M)



ENERGY CONSUMED (GJ)



Performance Summary

Net emissions continue to decline in FY21 compared to FY20. Carbon intensity decreased by 8.9% in FY21 from the previous year.

TOTAL HISTORICAL YEAR-OVER-YEAR PERFORMANCE IS OUTLINED BELOW

		FY17	FY18	FY19	FY20	FY21
Net Emissions	tCO ₂ -e	316,676	327,729	331,605	330,330	323,852
Group Revenue	\$M	1,513.7	1,650.7	1,728.6	1,883.6	2032.2
Carbon Intensity	tCO ₂ -e per \$M	209.2	198.5	191.8	175.3	159.7
YOY Movement	%	15.0%	-5.1%	-3.4%	-8.6%	-8.9%

Scope 1 and 2 Emissions – by Businesses

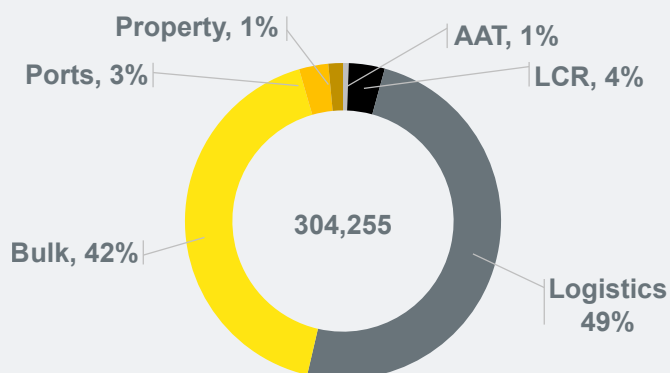
Greenhouse gas emissions are the emissions released to the atmosphere as a direct result of an activity, or series of activities at a facility level. These emissions are identified as scope 1 and 2 emissions. Scope 1 emissions are sometimes referred to as 'direct emissions' – for example emissions from the burning of diesel fuel in trucks – while scope 2 emissions are 'indirect emissions' which come for example from the use of electricity purchased from a utility provider.

In FY21, Qube generated 304,255 tCO₂e greenhouse gas emissions of which 94% percent were scope 1 emissions. Qube Logistics (49.4%) and Qube Bulk (41.9%) make up a combined 91.3% of all scope 1 emissions reported for Qube.

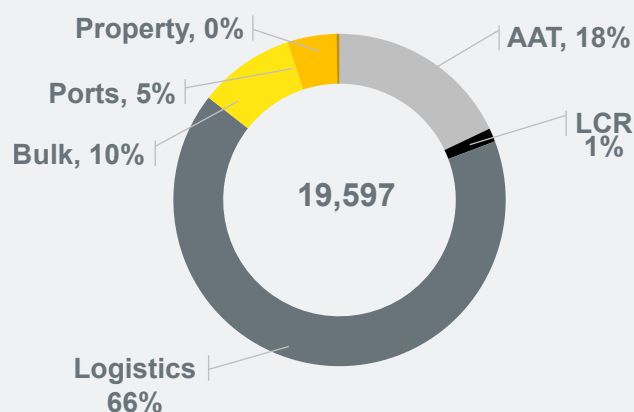
Scope 2 emissions make up the remaining 6% of the recorded greenhouse gas emissions for Qube, of which Qube Logistics recorded 66% of total scope 2 emissions. Business performance is further outlined in the graphs below.

Of the combined greenhouse gas emissions (scope 1 and 2), 93% is attributed to the use of diesel

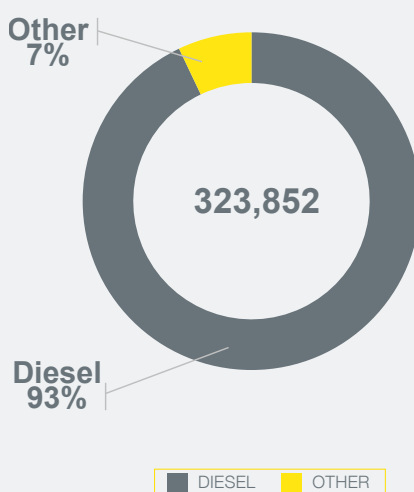
SCOPE 1 EMISSIONS (%)



SCOPE 2 EMISSIONS (%)



ENERGY TYPE - EMISSIONS (%)





Consistent with our Zero Harm goal, we are committed to protecting the environments in which we work and minimising our footprint.

FY22 PRIORITIES

- Establishment of waste management plans across all regions and all sites (offices, warehouses, sites and depots)
- Introduction of INX (software system to manage SHS) to enhance our environmental compliance and have a proactive approach to health and safety, incidents, hazards and audits
- Enhance our site environmental verification audits and environmental compliance, risk management and environmental assurance processes.

Audits

The purpose of the audits was to review environmental compliance with applicable legislation, the ISO 14001 standard and relevant internal requirements (management plans) at a number of sites. The environmental management and compliance audits undertaken found that the implementation of management plans has been well documented, with a number of good initiatives and objectives being achieved. Compliance with all relevant licences and requirements appeared to be well managed and monitored, and no major or minor non-conformances were found. Of note, the auditor found that each site performed well with spill management, innovation for environmental improvements (eg. the dust recovery hoppers), refuelling operations, and storage and handling of hazardous substances. Compliance with the environmental licence is being managed well, including the completion of water monitoring and annual reporting requirements to the regulator.

Opportunities for Improvement

- There is an opportunity to improve our understanding of the requirements around controlled/regulated waste and ensure good tracking and documentation systems are in place across our sites.
- There were a number of opportunities for improvement raised that, once implemented, will improve checking documenting and validating relevant onsite compliance requirements onsite. Many of the opportunities for improvement related to changes to documentation or management system elements, in order to improve tracking and documentation of compliance requirements.

Addressing the opportunities for improvement and the environmental management system element modifications suggested within this report will ensure continual improvement of environmental management for our sites and ensure compliance with both regulatory and internal environmental management requirements.

Waste Management

We continue to improve our management of waste, with all our sites focusing on initiatives to create efficient waste management plans including:

- investigating sustainable material management, looking at the waste that is generated on site and different methods for recycling or reusing the waste
- collaborating with different waste organisations and companies that share the same goal to help in minimise the adverse effects of waste in communities, contribute to the sustainable improvement of recycling, and improve the livelihood of people and businesses in rural and urban communities equally.

Protection of the Environment and Biodiversity

Biodiversity is the variety and variability of living organisms on the planet. Earth's ecosystems are driven by biodiversity, and disruptions can have ripple effects that may be harmful to other life forms and the environment.

As part of our ongoing commitment in this area, we will enhance our practices across the business to protect negative impacts on biodiversity by:

- taking into consideration the impact of our business activities on biodiversity, striving to realise the conservation and sustainable use of biodiversity
- recognising the influence of biodiversity within the supply chain by managing biodiversity values related to our operations in areas under our control or influence
- seeking to engage with key stakeholders including government bodies and local communities to assess and manage biodiversity within our areas of operation
- striving to raise employee awareness of biodiversity, and contributing to the building of a society that nurtures biodiversity through stakeholder communication

As a proactive measure, Qube responds to potentially negative impacts on biodiversity by ensuring appropriate protections are in place where these operations overlap with protected areas, or areas of high biodiversity value.



We are focused on maintaining our social licence to operate by working with communities, responding to community concerns and supporting the communities in which we work.

FY22 PRIORITIES

- Redeveloped and issued our new community wellbeing and engagement policy
- Provided two days special community leave for all eligible employees
- Committed further investment in local sporting organisations and frontline workers in areas impacted by COVID related lockdown
- Commenced work on a business Reconciliation Action Plan (for implementation in FY23). A Reconciliation Action Plan will enable us to articulate our contribution to a reconciled Australia and set out our plan for the short and long term.

Qube operates at more than 140 sites across Australia, New Zealand, Papua New Guinea and South-East Asia. In each of the locations in which we operate, we are focused on building meaningful partnerships with local business and communities, demonstrating how Qube can add value to the local community and enhance sustainable, educational and employment opportunities for the community, through:

- Participation – actively supporting community initiatives, local businesses and charities to add value
- Education – working to improve awareness and education in the communities in which we operate to improve safety outcomes for all
- Employment – working with local communities to encourage active employment supporting traineeships, mentoring, school-based apprenticeships and Indigenous programs

Qube sponsors various community groups Australia-wide, with a targeted approach to ensure that value is delivered. These organisations include the Foster Arts Music & Drama Association (in Gippsland, Victoria), Welshpool Soccer Club (in Gippsland, Victoria), Western Health partnership, Roosters Football Club and Timorese Locals Training Program (in Darwin).

Cultural Engagement

Qube maintains a focus on local and Indigenous content, and community support throughout the business.

Qube demonstrates its commitment to Indigenous participation through an ongoing relationship with the Clontarf Foundation, now nationally. The Clontarf Foundation exists to improve the education, discipline, life skills, self-esteem and employment prospects for young Indigenous men and, by doing so, equips them to participate meaningfully in society.

Qube supports the Foundation as a sponsorship partner along with employing trainees. Our trainees can complete training in a number of roles (from Administration to a Cert II in Transport and Logistics – Stevedoring) over a nominated period and then be employed by Qube following completion of the program. Qube management also attends Clontarf functions and school events every year to present to and mentor a wider group of Indigenous children.

In particular, Qube is committed to community engagement and sponsorship in remote towns where this greatly enhancing the lifestyles and benefiting to the local community. Our sponsorships benefit local schools, hospitals and a range of sporting clubs.

Reconciliation Action Plan

Qube is excited to announce that it has started developing a reconciliation plan. The FY23 Reconciliation Action Plans (RAPs) will aim to enable the organisation to sustainably and strategically take meaningful action to advance reconciliation.



Teagan, Qube Energy – Chinchilla, QLD accepts an artwork by local indigenous students.

PREVIOUS ACTIONS TO PROVIDE MEANINGFUL INDIGENOUS ENGAGEMENT OUTCOMES INCLUDE:

Initiative/Activity	Outcomes	Learning/Reflections
Clontarf Foundation	Financial support and provision of traineeships to young Indigenous students	Resulted in logistics work experience benefiting young Indigenous students
Santos Traineeship	Provision of traineeships to students from East Timor	Resulted in key training and work experience for East Timorese students
MIGAS Traineeship	Provision of warehouse traineeships for school leavers	Resulted in key training and work experience for school leavers
Harness Energy Traineeships	Indigenous traineeship program participation	Resulted in key training and work experience for Indigenous participants

CASE STUDY

SUPPORTING LOCAL COMMUNITIES

Qube, in conjunction with the Woolworths Group and the Australian Department of Agriculture, Water and the Environment (DAWE), proudly supported the Rockpool Foundation in providing rice for use in their Hope Delivery meals for disadvantaged people in Sydney.

Qube, Woolworths and DAWE began implementing a new process to ensure that rice used for biosecurity inspection and sampling purposes was hygienically checked and resealed for use by Hope Delivery in its meal program.

This new process commenced in September 2021 with a 100kg rice delivery to Hope Delivery, which was repurposed for use in providing meals for those in need.

Since September 2021, Qube has facilitated the delivery of 10 tonnes of rice to Hope Delivery.



Supporting the Rockpool Foundation in Sydney.

CASE STUDY

SAFETY ON OUR ROADS

Our Qube Pilbara team frequently engage with travellers in Western Australia to educate and guide drivers on how to best share the road with trucks, long vehicles and wide loads. Travellers are provided the opportunity to sit in a truck, speak to members of the Qube team and learn more about road safety around trucks. Safety is a key priority for our drivers and educating other road users assists in creating safer roads for everyone.



Travellers interact with Qube team at Pilbara camping ground.

CASE STUDY

EDUCATION IS KEY TO SAFETY ON OUR ROADS

Our Qube Bulk teams work closely with local communities to help educate on how to best share the roads with our vehicles.

Recently members of the Qube Bulk team visited the Our Lady of Mt Carmel Primary School in Mullewa – bringing along a Qube road train loaded with three rotabox on trailers. The small rural farming community of Mullewa is situated 98 kilometres east-northeast of Geraldton in a busy mining district of Western Australia. The students had the opportunity to see the size of a road train up close and also look inside the cab. The students learnt valuable lessons about braking distances of the vehicles as well as the electronically monitored safety system. The students were also provided with key road safety messages about trucks travelling on the roads and how to behave whether on foot, bicycle or travelling in a vehicle.



Students from Our Lady of Mt Carmel Primary School, Mullewa, WA, inspect a Qube truck.

CASE STUDY

PARTNERING WITH CEREBRAL PALSY ALLIANCE FOR STEPTEMBER

Qube partnered with Cerebral Palsy Alliance and STEPTember to raise vital funds for world-leading research into the prevention and treatment of cerebral palsy.

STEPTember is a fun and inclusive virtual event that challenges team members to walk, swim, ride, wheel or spin their way to 10,000 steps per day during the month of September – all while helping to improve the lives of children and adults who live with cerebral palsy.

The Qube Group contributed \$116,000 to the STEPTember fundraising.

CASE STUDY

SUPPORTING LOCAL COMMUNITIES

In FY22, Qube Energy implemented a program of local community support programs linked to delivery of safety KPI targets.

Qube Energy Darwin chose to nominate two local charities to support with a \$3,000 donation. The two charities were the Humpty Dumpty Foundation and RSPCA Darwin. The Humpty Dumpty Foundation, through donations, provide equipment for local hospitals that support the treatment of sick children.

The donation to the RSPCA will help provide immunisations for animals and de-sexing, and support day-to-day running costs of the centre.



Qube Energy Darwin donates to RSPCA Darwin

CASE STUDY

BRIGHT FUTURE STEM PROGRAM

Our Qube Queensland Logistics team participated in the AMMA – Australian Resources & Energy Group Bright Future STEM program. This national, school-based program highlights how studying Science, Technology, Engineering and Maths (STEM) subjects can lead to diverse and rewarding careers in the resources and energy industry.

The Qube team attended St Mary's Primary School, Warwick, where 90 students joined the program from years five and six for two hours. The event included multiple role model talks with Q&A after each, as well as interactive group activities that provided students a sense of what a STEM career may involve.

In 2021, the program reached 3657 students in 36 schools across Australia, both face-to-face and through remote technology.



St Mary's Primary School, Warwick, QLD, participate in STEM program.



We provide assurance to Board and Board committees that we are managing our risks, and identify opportunities to learn and improve our systems and processes.

FY22 PRIORITIES

- Implementation of INX reporting
- Increase proactive safety and environmental auditing and programs
- Ongoing focus on building IT Resilience capability

Values and Ethics

Qube has in place a Board-approved Statement of Values that sets out the guiding principles underpinning Qube's culture. This encompasses the set of beliefs and behaviours in accordance with which Qube must conduct its business and which inform Qube's approach to corporate governance. The Statement of Values is available in the Corporate Governance section of Qube's website.

A centrepiece policy reflecting Qube's values is our Code of Conduct and Ethics. The Code sets out the obligations and responsibilities of all Qube personnel to act with honesty, integrity, quality and trust at all times. Specific matters dealt with include conflicts of interest, fair dealing, insider trading, equal opportunity, privacy and confidentiality, health, safety and the environment, improper benefits and use of company property.

Human Rights and Modern Slavery

During FY22, Qube continued to implement actions under its Human Rights Policy based on its ongoing risk-based assessments of Qube's operations and supply chains to identify modern slavery risks. During the period, Qube refined its modern slavery due diligence protocol and questionnaire, the aims of which are to elicit more precise and targeted responses from suppliers and to support the assessment, remediation, follow-up and reporting of modern slavery risks.

Qube continued to implement training in this area throughout the organisation in FY22. Training involves educating Qube's key supply chain personnel on forms of modern slavery, how to identify and assess modern slavery risks in supply chains based on the intersection of key risk factors (e.g. geography, industry sector workforce profile) and actions to report and remediate risks identified.

From 1 July 2021 to 30 June 2022, 816 employees completed comprehensive modern slavery training.

Whistleblower Policy

Qube has a Whistleblower Policy in compliance with legislative requirements and the recommendations of the ASX Corporate Governance Principles. The policy is

available in the Corporate Governance section of Qube's website and the myQube employee app. Qube's Audit and Risk Management Committee is the responsible Board committee in respect of oversight of and any notifications under the policy.

Anti-Bribery and Anti-Corruption Policy

Qube has an Anti-Bribery & Anti-Corruption Policy that applies to all Qube personnel and contractors, agents and advisers. It explains conduct that is prohibited and provides guidance on dealing with gifts, entertainment and donations and how to seek appropriate approvals.

It also links to the Whistleblower Policy for the reporting of potential breaches or concerns.

Safety, Health and Sustainability

The Safety, Health and Sustainability Committee assists the Board in its role of overseeing Qube's approach and practices in safety, health, environment and community (social) engagement and reporting. During the reporting period, Qube continued to improve safety outcomes with our Total Recordable Injury Frequency Rate (TRIFR) target for year-on-year reduction achieved in FY 22. The Lost Time Injury Frequency Rate (LTIFR) also materially reduced during the reporting period.

In FY21 as reported in NGER Scheme in October 2021, Qube achieved another annual reduction in our carbon intensity and we are continuing to develop a pathway to achieve continuing greenhouse gas emission reductions. Qube conducted an assessment of our operations using the Task Force on Climate-related Financial Disclosures (TCFD) framework. This assessment will enable Qube to undertake partial TCFD disclosures and assist in the process of developing a low carbon future roadmap that will set out Qube's decarbonisation approach, strategic pathways and goals.

Innovation and Technology

Continuous innovation and application of technology across the organisation to enhance operational and safety outcomes have been a key part of Qube's strategy and success. Qube has a track record over many years of investing in and leveraging technology to deliver innovative, reliable and safe logistics supply chain solutions to its customers.

The Innovation Committee is chaired by the Managing Director and brings together senior executives from across the organisation to develop strategies, leverage developed solutions, and determine the investment and resources priorities that will benefit customers and improve safety, service delivery and the environment.

The Innovation Committee actively considers initiatives ranging from early-stage concepts through to operations-ready projects. Importantly, the structure and philosophy of Qube's Innovation Committee reinforce the Qube culture around building a cooperative approach focused

on enhancing the overall organisation through continual improvement. Qube is also building collaborative relationships with Original Equipment Manufacturers (OEM's), systems developers and new technology providers to ensure Qube remains well placed to benefit from innovation advancements within the broader transport and logistics industry.

Qube operational subject matter experts (SME) and IT teams have been engaged over the last 12 months delivering on our digital transformation program. This program covers:

- digitising operations and focus on data capture across all assets
- big data analytics
- IT uplift across our software/hardware platforms to allow for scalability and future growth.

Qube continues to enhance the innovation improvements delivered in the previous year while focusing on new opportunities that have been identified for further review in FY23.

A core focus area for innovation at Qube is sustainability and CO² reduction initiatives for improved energy efficiency and the use of alternate energy sources. In addition, Qube is investing in assets and technologies including alternative fuel options, vehicle enhancements technologies and seeking alternative power sources for heavy vehicles.

Qube has successfully delivered a number of innovation projects over the past 12 months, with key initiatives including:

- expansion of mobile harbour cranes combined with log grapples in the New Zealand stevedoring operation, delivering safety and efficiency benefits
- expansion of robotic scanning technologies across new sites, delivering safety and efficiency benefits
- expansion of Optical Character Recognition (OCR) in select locations to drive efficiencies which have highlighted additional benefits being realised through the implementation of Artificial Intelligence learning initiatives
- delivery of next generation Virtual Reality (VR) vehicle training programs allowing the Qube group to focus on structured training and enhanced scenario testing for our drivers

During FY22 Qube commenced a project to replace the existing PeopleSoft financial reporting system with Oracle Cloud ERP/EPM. The Oracle Cloud product will deliver a system that is flexible and scalable and will keep pace with our evolving business requirements.

IT and Cyber Security

Qube's Group Cyber Security Committee, chaired by the Managing Director, assesses how Qube could be negatively impacted by threats to the security of its information technology, data and operational technology systems. The cyber security threats faced by Qube are not dissimilar to most organisations and include, threats to the normal operation of information technology (IT) and operational technology (OT) infrastructure, systems and data; attempts to gain unauthorised access to the company's information including our customers, suppliers and partners data and the potential for business disruption associated with technology and related failures.

Qube has adopted a broad range of measures, including use of appropriate leading security tools along with standards and governance frameworks to monitor and manage risks. Qube's experienced internal team and expert third-party security specialists monitor our network for signs of external attack and internal threat activity and respond to detected events to ensure continued protection of our infrastructure. Additionally, we undertake a program called 'Zero Hack' of continuous employee education and awareness on cyber related risks to ensure employees understand applicable policies and the importance of reporting suspicious observations and behaviour and can respond appropriately to mitigate threats.

Qube driver training unit





Our objective is to promote diversity and inclusion within Qube. We continue to build on our strong workplace culture where everyone feels they belong and can contribute equally to the success of Qube and enjoy opportunities for personal career development.

During FY22 we have continued to actively address diversity and inclusion in our workplaces through a range of initiatives both short and long term. Significant achievements have been made despite a challenging 12-month period with the impacts of COVID-19 and a very competitive labour market.

While efforts continue to ensure that women, people from diverse cultural backgrounds and other minority groups have equal access to opportunities to reach their full potential at Qube, we are cognisant of investing our efforts in initiatives that are appropriate to the resources we have available.

We have reviewed and updated our targeted initiatives regularly.

FY22 PRIORITIES

- Taking steps to improve and strengthen our employer brand to become an employer of choice
- Taking steps to attract and retain well qualified and skilled employees, senior management and Board members from a deep pool of talent
- Eliminating artificial, unfair and inappropriate barriers to workplace participation and facilitating equal employment opportunities based on merit, performance and potential
- Taking action against inappropriate workplace behaviours including discrimination and harassment
- Creating an inclusive workplace culture, recognising that people are different and valuing those differences

FY22 saw terrific engagement across our Diversity & Inclusion activities with IDAHOBIT, International Women's Day and International Men's Day all recognised and well received. The percentage of female participation across the Qube group continued to increase again in FY22 to 13.4%. We are continuing to work to position ourselves as an employee of choice and a place where everyone can thrive.

Performance Measures

- We have a goal to increase the representation of women across the Qube Group to 15% by 2025. We are currently 13.43% (this includes ISO NZ).
- Year-on-year improvement in the proportion of women in management roles
- Understanding gender pay gap through analysis
- Gathering data with respect to diversity and inclusion through employee Pulse surveys

Achievements

- Increased female representation (AU based) to 11.4%, an increase of 0.7%
- Increased the number of female managers by six to 8.9%, an increase of 0.2%
- Worked with the Department of Veteran Affairs and Job Support agency to offer ex-veterans and people with disability opportunities for employment
- Qube's Cadet Program exceeded expectations with 32 cadets entering the program and 5 cadets moving into roles (outside of the Cadet Program) within the business
- In late 2021, Qube partnered with the Pinnacle Foundation to support young LGBTIQ+ people to continue their higher education with a scholarship from Qube
- Commenced a partnership with UNIQ YOU, a Queensland-based not-for-profit that exposes years 9-12 girls to career opportunities across industries identified to be under-represented by women, in FY22 with ongoing participation and development scheduled for the first half of FY23
- Implemented special paid community engagement and participation leave for all eligible employees



CJ, Qube Bulk – Rockingham, WA



Todd, Qube Bulk - West Perth, WA



Colleen, Amanda & Danielle, Qube Energy – Darwin, NT

CASE STUDY

PINNACLE FOUNDATION

Qube is a proud partner of The Pinnacle Foundation. The foundation provides educational scholarships, mentoring and opportunities for young LGBTIQ+ Australians to realise their full potential and overcome challenges arising from their identity.

Part of the Qube partnership with Pinnacle includes sponsoring The Qube Scholarship. In 2022, the scholarship was awarded to Kyra, who is currently completing a Bachelor of Nursing at Charles Sturt University. Kyra says:

"I identify as pansexual, and I have since a very young age. I had many difficulties growing up with unsupportive family while also trying to manage and cope with being in and out of foster care since the age of one due to neglect and abuse. I am so beyond grateful to The Pinnacle Foundation for giving me the opportunity to be awarded The Qube Scholarship and become a part of the mentoring program, and I cannot begin to express how grateful I am to Qube for having received this amazing offer. This scholarship will ease many burdens throughout my education, allowing me to become the best health care professional I can be. Thank you!"



Tara, Qube Bulk – Port Hedland, WA

CASE STUDY

INTERNATIONAL MEN'S DAY

Qube recognised and celebrated our people and teams throughout the business on International Men's Day. Across sites, team members proudly wore their "Man About Qube" shirts and took part in a conversations about manhood, masculinity and men's issues.



Qube teams across Australia wearing their "Man about Qube" shirts for International Men's Day

CASE STUDY

MC ROAD TRAIN OPERATOR PROGRAMS

Since February 2021, Qube Bulk has conducted twelve formal MC Driver Training Programs in Western Australia. These structured ten-week programs are aimed at providing trainees with both theoretical and practical experience to prepare for roles as MC Drivers in Qube operations. The majority of the program involves trainees completing eight weeks of operational onsite training at either Qube sites at Picton or Geraldton prior to completing their accreditations.

To date, there have been 96 participants who have completed the training program and who now have positions in Qube across Western Australia.

One of the unique aspects of the Qube training program is the female-only intakes. Given the low representation of females in the trucking industry, this program was specifically developed by Qube and is an excellent opportunity to provide females who are keen to become MC drivers with a paid and structured training program.



Qube Bulk MC Driver Trainees

CASE STUDY

INTERNATIONAL WOMEN'S DAY

International Women's Day (IWD) is a global day celebrating the social, economic, cultural, and political achievements of women, with the first IWD gathering in 1911 supported by over a million people. It marks a call to action for accelerating women's equality. This year our Qube teams embraced the theme of #BreakTheBias

Emily Link, Director - People, Culture & Safety said, "We are committed to supporting diversity and equal opportunities throughout our organisation. We want to ensure that each and every employee feels valued and knows that their contribution is important. By working together and encouraging each other, we can break the bias."



Our Qube teams participate in International Women's Day celebrations

CASE STUDY

UNIQU YOU PARTNERSHIP

Qube has partnered with UNIQU You, a Queensland-based not-for-profit that exposes Years 9-12 girls to career opportunities across industries identified to be under-represented by women.

By facilitating career advisory calls, with the support of partner companies such as Qube, UNIQU You helps provide insights to students as to possible pathways – helping address the critical pipeline issue that limits girls' opportunities in rapidly evolving and increasingly competitive spaces.

Brooke Martinsen

Rail Operations Manager

I look after the Qube Trains in North Queensland

Transport
Logistics and
Warehousing

Qube Holdings

Mid

UNIQU You participant - Brooke Martinsen.



We are focused on a holistic approach to wellness where we consider body, mind and life, and encourage a balanced approach.

FY22 PRIORITIES

- Launch of a new, improved health and wellbeing program – “Thrive at Qube” – which aims to enhance employee lifestyles providing programs and education across the three pillars: mind, body and life
- Ongoing employee engagement and support through the myQube app and EAP
- Continued focus on safe and durable return-to-work programs for injured employees

In FY22 we launched the Thrive Program, because we believe we all deserve to be our best.

We recognise that health is more than the absence of injury or illness and encompasses fulfilment, development and balance. We are committed to going beyond our obligations of establishing safe workplaces and aim to create an environment where our people can be the best they can be both in and outside of the workplace.

Thrive is a holistic approach to health, focusing on three main pillars mind, body and life. Each pillar is linked and requires a balanced approach.

Mind – We all have mental health. It affects how we think, feel and behave and impacts the choices we make. Maintaining and understanding good mental health means we can recognise and realise our potential, cope with stresses of life, live and work productively and make a positive contribution to our community. Understanding and normalising mental health is the best way to support and help those who might be struggling at work or at home.

Body – Being physically healthy means more than just movement and physical activity. It includes looking after our fitness, making good food choices, understanding the importance of sleep, sleep hygiene and harnessing physical activity to keep mentally healthy.

Life – A balanced lifestyle means people can do their best work and reach their full potential. We aim to provide resources across a wide range of areas of personal wellbeing such as family, relationships, financial, resilience, diversity, belonging and everything in between.

To achieve a thriving workplace we deliver the following to our employees:

- bespoke health awareness and education initiatives to target our unique workplace risks, promote personal development and foster a culture of care
- return to work practices focusing on injury prevention, early intervention and supportive recovery
- Healthy Heads program, as a founding partner we are committed to the prevention and education of mental health issues faced by wider transport industry

CASE STUDY

QUBE ENERGY BLUE TREE PROJECT

Our Qube Energy teams at Chinchilla and Miles created blue trees using used oil and gas materials as part of the Blue Tree Project which aims to "help spark difficult conversations and encourage people to speak up when battling mental health concerns."

The trees were positioned in a prominent location on the sites as a reminder that they are mentally healthy sites in which open and honest conversation is encouraged. The trees are a permanent reminder that it is ok not to be ok and that there is always support close by.



Qube Energy teams at Chinchilla and Miles with their "Blue Tree" projects

CASE STUDY

RAISING CANCER AWARENESS

To help raise awareness of both prostate and breast cancer, Qube Bulk commissioned customised kibble bins. The kibble bins serve as a reminder to recognise the signs associated with both prostate and breast cancer. The kibble bins can now be seen travelling through Geraldton, Mullewa, Pindar and Yalgoo in Western Australia.



Qube Bulk cancer awareness kibble bins.

CASE STUDY

FIRST RESPONDERS TRAINING

Qube truck drivers are often travelling in remote and regional areas, so it is important that our teams are well equipped to handle different situations that they may come across while on the road.

Qube Bulk trainees participated in first responder training in conjunction with the Western Roads Federation and TraumaSim Group. The training covered life-saving techniques, including how to respond when arriving on the scene of an accident, emergency first aid, personal safety and other critical knowledge. Trauma simulation props and scenario-based activities provided practical learning opportunities for the trainees.



Qube Bulk team members participate in first responder course.

CASE STUDY

HEALTHY HEADS

Qube is proud to be a founding member of Healthy Heads in Trucks and Sheds (HHTS). This not-for-profit organisation is focused on addressing mental health issues that exist across the road transport and logistics industries in Australia.

Healthy Heads in Trucks and Sheds teamed up with RUOK? to help encourage those in the road transport, warehousing and logistics industries to support each other in meaningfully connecting and genuinely asking each other "are you OK?".

For this purpose, HHTS and R U OK? have developed a guide to help start "are you ok?" conversations. The guide emphasises that you don't have to be an expert to ask the question. You just have to be there to listen and be genuinely willing to support someone through a difficult time. It reminds us not to wait until someone is visibly distressed or in crisis.

CASE STUDY

HEALTH PILOT PROGRAM

Since December 2021, Qube has been undertaking a Health Pilot in the Ports business unit in Bell Bay, Tasmania. The program is aimed at early identification of health concerns and providing support where it is needed most.

The pilot, which is co-founded by Qube's insurer CGU, is the first targeted health pilot undertaken in Qube. To date, 78% of employees have registered for the pilot program and have begun participating in the phone-based health coaching and check-in program.

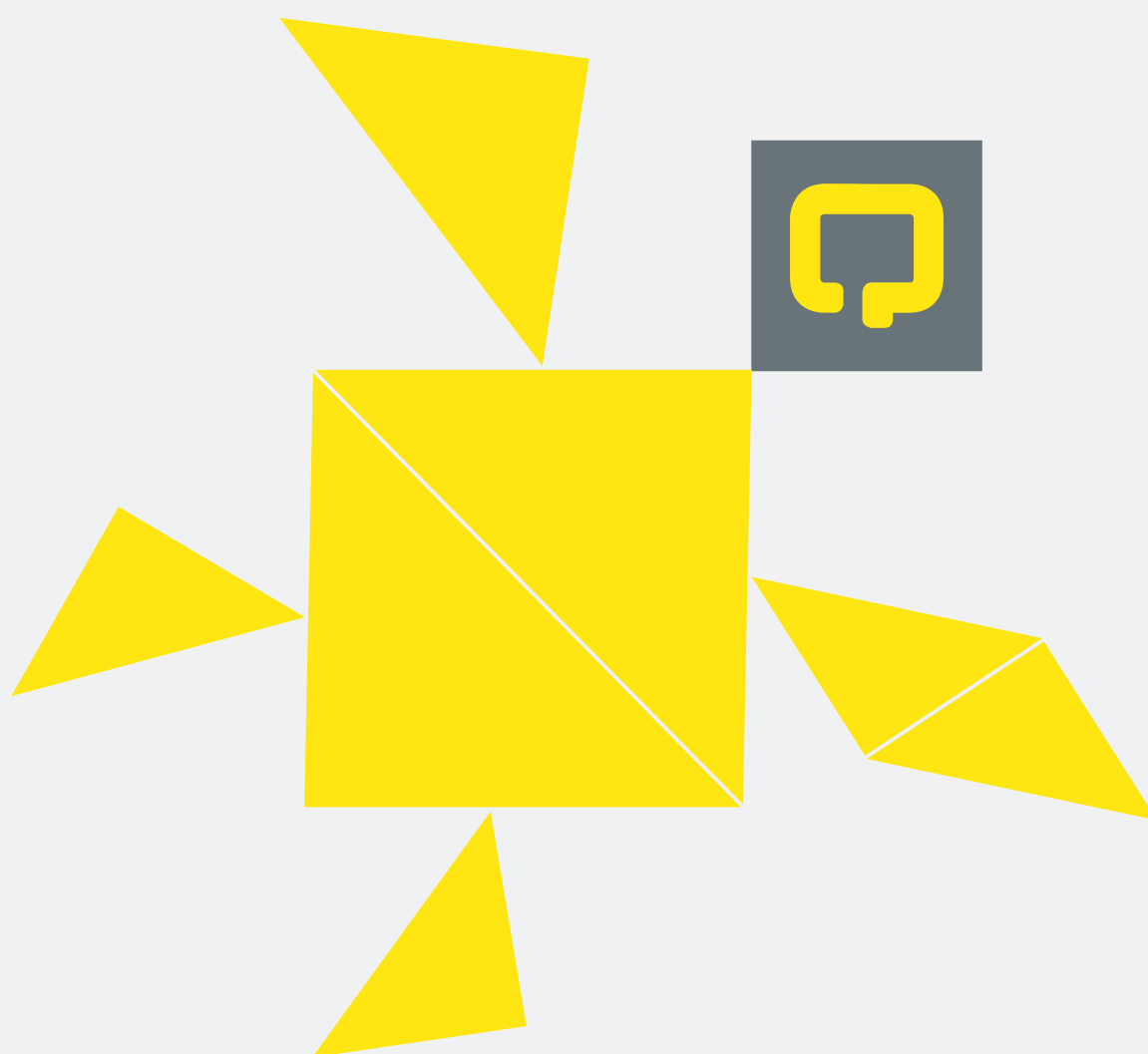
The program also includes onsite days that allow for employees to discuss ways they can consider improving their health and engaging with the program.



Jimmy, Qube team member, Bell Bay, Tasmania

Appendix

Task Force on Climate-Related Financial Disclosures Statement



AUGUST 2022

Task Force on Climate-Related Financial Disclosures (TCFD) Statement

The Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) develops recommendations for more effective climate-related financial disclosures. This allows investment, credit and insurance stakeholders to make more informed decisions by better understanding carbon-related assets and the financial system's exposure to climate-related risk.

To improve our stakeholder's understanding, we have disclosed our climate-related risks and opportunities in alignment with the TCFD's recommendations, by completing a partial TCFD disclosure.

In 2021, we commenced developing a roadmap to integrate the TCFD recommendations into our annual disclosure. The TCFD recommendations provide a process to gain a better understanding of physical and financial climate-related threats and an opportunity to reassess our climate change risks in a transparent and meaningful way.

The following section outlines the summary action plan for Qube Holdings Limited (including our wholly owned subsidiaries excluding Patrick and associates), our partial TCFD disclosure, and how we have delivered against our action plan to date.

Summary TCFD Action Plan

TCFD category and recommended disclosure	To date	2023 Actions	2024 Maturing our approach
Governance			
a) Board-level oversight b) Executive leadership	<ul style="list-style-type: none"> Assessed and managed climate change risks and opportunities through the implementation of a partial TCFD reporting framework. Enhanced our financial (or integrated) reporting to acknowledge climate change as a potential financial risk to the company. Climate risks are now a standing agenda item on the SHS Board and Executive Committee meetings. 	<ul style="list-style-type: none"> To continue strengthening Qube's sustainability approach and reporting, the board have adopted the following actions: Enhancing climate-related disclosure, progressively aligning reporting to the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures. Climate related risks and opportunities incorporated into executive and senior management positions. 	<ul style="list-style-type: none"> Maturing our KPI's on climate change.





Summary TCFD Action Plan

TCFD category and recommended disclosure	To date	2023 Actions	2024 Maturing our approach
Strategy			
	<ul style="list-style-type: none"> Completed climate scenario and risk assessment. Developed decarbonisation roadmap. 	<ul style="list-style-type: none"> MD's message in the annual financial or integrated report will include climate change and/or climate-related risks. Maintain a dedicated program to drive continued improvement in reduction of carbon emissions, use of renewable energy, fuel use and costs. Explain how climate change risks are incorporated into the company's strategic priorities. 	<ul style="list-style-type: none"> Consider material climate-related threats and opportunities in asset planning. Continue to enhance our decarbonisation strategy and look for opportunities to innovate. Continue to assess climate-related risks (threats and opportunities) across value chain and supply chain.
Risk Management			
	<ul style="list-style-type: none"> A series of assessment workshops which identified a failure to meet government emission reduction targets and the disruption to supply of fuels, oils and lubricants are the most significant, transitional and supply chain risk, respectively. Climate considerations included in procurement activities and developed tools for capex evaluation. 	<ul style="list-style-type: none"> Integration of climate risk into enterprise risk management framework. 	<ul style="list-style-type: none"> Quantification of business impacts and communication of impacts of current and future climate-related risks Further refine approach to climate-related risk management.
Metrics and Targets			
	<ul style="list-style-type: none"> Enhanced the methodology by which a company is reporting its emissions (Scope 1, 2 and 3). Specified global warming potentials, emission factors. Identified proportion of assets and/or operating, investing, exposed to material transition risks. 	<ul style="list-style-type: none"> Continue to refine our emission data collection and analysis. Increase our in-house sustainability resources within the business including data analytics capability. 	<ul style="list-style-type: none"> Setting science based targets, enhancing our roadmap to reduce emissions. Communicate transparently and consistently if company is on track to meet its decarbonisation targets. Consider senior management remuneration to be impacted by climate considerations. Review our Scope 3 emissions focusing on key sources.

Governance

Qube is committed to playing its part in addressing the physical, transitional and market risks of climate change and the implications for its business. In FY22, Qube continued to assess and manage climate change risks and opportunities through the implementation of a partial TCFD reporting framework.

The role of the Board is to supervise Qube's risk management system through the Risk Management Policy, Audit & Risk Management Committee and the Safety, Health & Sustainability Committee. Climate change risks are included in the charter of Qube's Safety, Health & Sustainability Committee.

To continue strengthening Qube's sustainability approach and reporting, the Board has adopted the following actions:

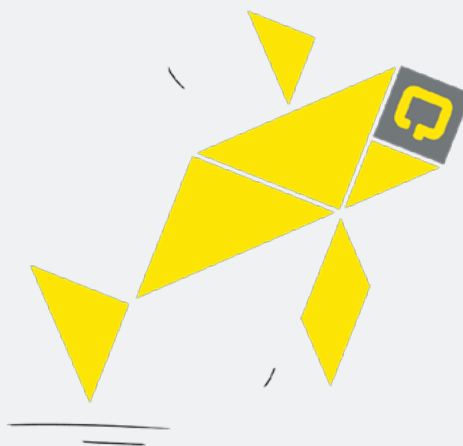
- Enhancing climate-related disclosure, progressively aligning reporting to the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures.
- Identifying the United Nations Sustainable Development Goals that Qube can most impact and integrating them into our sustainability reporting.

Sub-committees of the Board

Both the Audit & Risk Management Committee and the Safety, Health & Sustainability Committee will meet regularly to review the effectiveness of Qube's risk management systems, processes and internal controls and will report their findings to the Board.

Board and executive leadership

Climate risks are discussed at the SHS Board and Executive Committee meetings, taking place regularly. Qube has undertaken a skills matrix to assess the skills and experience on the Board. This exercise found that 75% of the Board has the skills and experience to contribute to health, safety and ESG considerations.





Strategy

Climate-related risks and opportunities

We are taking steps to manage our climate change risks and opportunities across all functions of the business, and have developed our decarbonisation targets (see under “Metrics and targets” heading).

Climate change is one of nine key sustainability focus areas central to Qube’s broader strategy in line with our commitment to our decarbonisation journey and TCFD disclosures.

Emissions reduction strategy

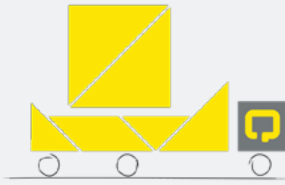
We aim to maintain a dedicated program to drive continued improvement in emissions reduction, working towards 100% renewable electricity in Qube owned offices and facilities by the end of 2030. Progress is already being made with the installation of onsite solar panels.

To support our goals we have adopted four pathways:

Heavy equipment technology	Energy source	Supporting technologies/ innovation	Global trends
<p>Alternative fuels</p> <ul style="list-style-type: none"> We have positioned 85% of our fleet to Euro 5, 6 and adaptable to biofuel. Biofuel – pilot projects and commercially viable options are being investigated. Electric – pilot project with domestic manufacturer to trial battery technology for heavy vehicles across long distances in outback terrains. Hydrogen – considering investing in hydrogen pilot projects and exploring solutions. 	<ul style="list-style-type: none"> Biofuel – sourcing of high quality biofuels that are commercially viable. Electric – assess pilot project outcomes/ commercial viability. Hydrogen – assess pilot project/ commercial viability. Alternative fuels – assess pilot projects for electric and hydrogen technologies and implement if commercially viable. 	<ul style="list-style-type: none"> Qube is focused on introducing and working with others to develop technologies that drive efficiencies Heavy vehicle systems management. Fuel management. In-vehicle enhancements. Asset optimisation, through our fleet monitoring centre. Operator behaviour training, to influence efficiencies. Maintenance program, e.g. tyre replacement program. 	<ul style="list-style-type: none"> Qube has business resources that track, monitor and engage with the broader industry on developments that deliver towards Qube goals. Learning from industry peers on emission reduction strategies and initiatives.

Climate-related risk and opportunities

Qube has a bottom-up approach to risk management, where each individual business is responsible for identifying, assessing and managing material risks to their business through the risk management committee. The risk management committee for each Qube Business consists of senior managers with a strong understanding of the business and who can effectively identify risks.



Climate-related scenario analysis

To better quantify the extent of emission reductions and ability to meet government targets, a scenario analysis was conducted with consideration of the following three scenarios: Scenario one – Government-led, Scenario two – Delayed government intervention and Scenario three – Customer and technology-led.

Three scenarios (see “Risk Management” heading) were evaluated to assess Qube’s resilience under different scenarios and evaluate transitional risks and opportunities. All transitional risks scenarios covered a period from 2022 through to 2030. The following parameters were considered in the analysis:

- Electric Vehicle (EV) uptake rate in Australia
- Diesel, Electricity, Solar PV and Power Purchase Agreements (PPA) cost
- After efficiency-battery electric heavy vehicles
- Biofuels, lithium, hydrogen price/demand
- Regulation around registration cost and stamp duty (conventional, EV, hydrogen)
- Carbon price
- Changes to government net zero targets

Assumptions were made regarding changes and trends in these parameters for both 2025 and 2030. These parameters were applied in forecasting quantities of fleet and their costs to operate, across the three time horizons and scenarios.

All physical risks were assessed under RCP 8.5 (refers to the concentration of carbon that delivers global warming at an average of 8.5 watts per square metre across the planet) scenario and covered three time periods: near future (2022-2040), mid future (2050-2070) and far future (2080-2100). The analysis identified eight transitional risks, 20 supply chain risks, and 100 physical climate risks among which 19% were material physical climate risks.

Scenario one Government-led	Scenario two Delayed government intervention	Scenario three Customer and technology-led
<p>This scenario is characterised by high government policy intervention within markets to incentivise greater uptake of renewable energy and decarbonisation initiatives.</p> <p>Examples of scenario assumptions includes higher carbon prices in regulated markets, high demand for lithium and higher diesel prices. Government emission reduction targets becoming more ambitious and aiming to achieve net zero by 2040. Registration fee for EV’s is reduced, and stamp duty is waived. Hydrogen vehicles become available in Australia by 2029.</p>	<p>This scenario is characterised by policy intervention between 2022 and 2030.</p> <p>Examples of scenario assumptions include lower carbon price, high demand for lithium and high uptake of electric vehicles (EVs). Government targets to achieve net zero by 2050 remain unchanged. EV purchase prices are reduced at a slow pace by 2030 only. Hydrogen vehicles become available in Australia only in 2030, with most hydrogen being blue hydrogen (produced from natural gas).</p>	<p>This scenario occurs without government intervention based on demand from the free market.</p> <p>Examples of scenario assumptions include customer demand driving a high rate of electric vehicle uptake, higher diesel prices and higher lithium demand. Government targets to achieve net zero by 2050 remain unchanged. EV prices are reduced, and hydrogen vehicle production increases due to technological improvements.</p>



Risk Management

Qube prioritises risks based on their materiality to business. Physical risk assessment was conducted for assets with an insurance value of \$40m AUD or above (representing more than 1.2% of the cumulative Total Insured Value [TIV] of all the sites). To assess the materiality of the identified risks, Qube conducted a detailed assessment via stakeholder engagement. The assessment was based on identifying risk using the Qube risk matrix (risk rating ranging from very low to extreme).

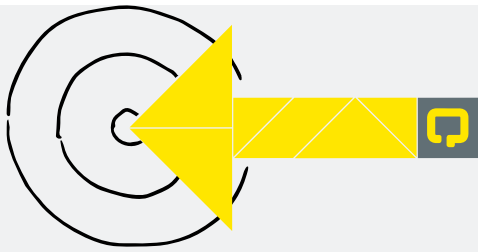
To determine the materiality of transitional and supply chain risks, a series of workshops with relevant Qube businesses were held.

The results of the assessment indicated that failure to meet government emission reduction targets and the disruption of supply of fuels, oils and lubricants are the most significant transitional and supply chain risks, respectively.

The assessment was completed by applying a risk rating to each identified risk and ranking each identified risk using the Qube risk matrix (risk rating ranging from very low to extreme). Climate change risk modelling will be integrated with Qube's risk register via the risk management process set out under the heading "Risk management" in the Summary TCFD Action Plan. Extreme weather events are already included in the group risk register.

5 top financial risks identified from the assessment

Risk	Description	Type	Time horizon	Potential Impact
WA – Pilbara tropical cyclones	Risk of operations suspended for a longer period due to higher cyclone intensity.	Physical	Near, mid and far future	Business interruption
WA – Pilbara sea level rise	Potential risk of inundation that can result in business disruption.	Physical	Far future	Business interruption
East Coast – extreme weather events	The risk of more frequent extreme weather events impacting our operations (or those of our customers) leading to material financial loss.	Physical	Near, mid and far future	Business interruption
External supply disruption of fuel, oil, lubricants	More extreme weather events.	Supply chain	Near, mid and far future	Business continuity
Emission reduction insufficient to meet government targets	Insufficient emission reduction targets were considered the most significant transitional risk due to the potential ramifications of non-compliance to regulators, reputational damage and additional costs associated with carbon pricing.	Transitional	Near, mid and far future	Increased costs



Metrics and targets

Qube is committed to being a leader in low emission logistics in Australia, and transparency is an integral part of our continuous improvement. We have an ongoing monitoring program to track our emission reduction strategy.

We conducted an assessment of our Scope 1 emissions to develop a reliable baseline and emissions forecast. This assessment involved estimation of the fuel use, kilometres travelled and associated emissions per each vehicle type based on the emission factors as per NGER recommendations (2.7 kg of CO₂-e per 1 litre of diesel used).

Our progress against 2021 targets

Target	Description	Type	Baseline	Time Frame	Progress update
Reduce carbon intensity by 4%	Reduce Scope 1 and Scope 2 GHG emissions intensity (tCO ₂ e per \$M revenue) by 4% from FY20.	Emission intensity	2018	Year to year	In FY21, an 8.9% reduction in targeted tCO ₂ -e per \$M revenue was achieved.
Heavy vehicle Euro 5, 6 standard	Aim to implement Euro 5, 6 across its fleet. Euro 5, 6 refer to emission standards which define exhaust emissions of NO _x CO ₂ from engines.	Emission intensity	2018	Year to year	In FY22, 85% of truck fleet is Euro 5, 6 standard. Qube will also continue to assess energy and emissions intensities across Qube's operations.
Renewable energy update	Continue to invest in renewable energy for our owned new infrastructure.	Energy consumption	2018	Year to year	In FY21, 50% of new Qube owned infrastructure had renewable energy installation. There is focus to innovate and design Qube owned warehouses and infrastructure to incorporate renewable energy opportunities.

New targets

Alternative fuels, like biofuels and eFuels in particular, are important to Qube's decarbonisation roadmap and are set to be part of our continued alternative fuel initiative. We aim to maintain a dedicated program to drive continued improvement in carbon, energy, fuel use and costs. We also have an aspirational goal – Net Carbon Zero by 2050. Net Carbon Zero describes our aspirational goal to reduce our Scope 1 emissions, intensity (tCO₂-e/\$M revenue) to zero (compared to 2018 baseline). Our success to achieve our targets will be dependent on the emergence of technologies and the availability of alternative energy supplies and at commercial pricing.

Target	Description	Type	Target year
Reduce Scope 1 emission intensity expand	Reduce Scope 1 emission intensity by 50%.	Emission intensity	2030
Implement Euro 5, 6 standard	95% of prime movers Euro 5, 6.	Emission intensity	2027
Heavy vehicles – Alternative fuels	<p>Biofuel – projects, sourcing of high quality biofuels and viable options being investigated.</p> <p>Electric – pilot project with domestic manufacturer to trial battery technology for heavy vehicles across long distances in outback terrains.</p> <p>Hydrogen – considering investing in hydrogen pilot projects and exploring solutions, this is seen as a significant enabler to a clean energy future.</p> <p>Assess the pilot project outcomes/ commercial viability and implement if commercially viable.</p>	Emission intensity	Date is yet to be determined, to be based on availability of commercial quantities of renewable biofuel and hydrogen in Australia.
Biofuel use in locomotives	<p>Qube has commenced replenishing its locomotive fleet to be adaptable for biofuels.</p> <p>Working with OEMs and suppliers/ distributors to trial biofuel. Sourcing high quality biofuels that are commercially viable.</p> <p>Biofuel use is also dependent on the age/ technical capability of the locomotives.</p>	Emission intensity	Date is yet to be determined, to be based on availability of commercial quantities of renewable biofuel in Australia.
Electric/hybrid vehicles	Upgrade light vehicle fleet to be 50% and 70% electric/hybrid by 2027 and 2030 respectively (dependent on availability).	Emission intensity	2027 and 2030
Renewable energy uptake	100% renewable electricity across our offices and facilities.	Energy consumption	2030



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